DECEMBER, 1956

# FINANCIAL MANAGEMENT

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#### In the News

WILLIAM M. DENSMORE, Iron & Glass Dollar Savings Bank, Pittsburgh, has been elected president of the Bankers Club of Pittsburgh.

FULLER F. Ross, vice president and treasurer, Pittsburgh Bridge & Iron Works, has been awarded a doctor of laws degree by Geneva College.

JACK SCHOFIELD, secretary, St. Louis Association of Credit Men, has been elected vice president of the M.A.C. Apollos.

EARL A. MATHENEY, SR., controller and secretary, Jenkins Music Company, Kansas City, Mo., has been elected president of the K. C. Chapter, National Association of Cost Accountants.

WESLEY FREYER, Fruehauf Trailer Co., Omaha, has been elected president of the Optimist Club of West Omaha.

EDWARD P. KAUTZKY, vice president, Valley Bank & Trust Co., Des Moines, and past president of the National Association of Credit Men, Central Iowa Unit, has been named division leader in the Mercy Hospital building fund campaign.

MARSHALL R. MERTENS, Kraft Foods Co., is the new president of the Chicago Chapter of the Institute of Internal Auditors for the year ending July 1st next.

CLARENCE W. SNYDER, controller and assistant secretary, John A. Roebling's Sons Corp., Trenton, has been elected president of the Greater Trenton Chamber of Commerce.

CHARLES E. MOORE, JR., assistant vice president, State-Planters Bank of Commerce and Trusts, Richmond, has been elected to a second term as treasurer of the Virginia State Chamber of Commerce, of which he is also a director.

JOHN J. FITZPATRICK, operating manager, Graybar Electric Co., Inc., and past president of the Rochester (New York) Credit and Financial Management Association, has been advanced to Major of the 98th Infantry Division, National Guard.



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#### **EDITORIAL**

Henry H. Hemann Executive Vice-President

### The Abundant Reward

F THE youth of Jesus, carpenter's apprentice, and His respect for His parents, the Bible says little, but the words mean so much. "He was obedient unto them." And this: "Jesus increased in wisdom and in stature, and in favor with God and man."

How encompassing and all-inclusive a description of His youthful deportment, and how revealing of character. It is not to be wondered, therefore, that His birthday is above all else a family day. His humility and love of His civil work are a reminder that every job, whether humble or of world-wide importance, is something of which everyone can be proud.

SOME weeks ago a carpenter came into my office to repair a warped door. I was impressed with his obvious interest in his work, the meticulous accuracy of the fitting and the neatness of his completed job. You must, I said, be proud of your trade. Enthusiastically he replied, "I am. Why shouldn't I be?" He explained, "After all, our Lord was a carpenter. No man did more for mankind."

As we celebrate His natal day let us rejoice in our work, realizing it is a blessing to have busy hands and minds—to accomplish what we intended. Let us realize that even the most trivial job is a blessing. An honest day's work cheerfully done is a prayer that cannot be improved upon in even the greatest of cathedrals.

Let us also as a free people remember the story of the Savior's youth, of His obedience, loving respect for His parents and industry in His work. It is the Lord's blessing that we can take pride in our family and our trade. It is He who imbued us with the love of work.

NO monetary reward can give us so great pleasure as the knowledge that whatever our task we have set about it with a song in our heart and industry in mind and muscles.

No day of the year makes us more family-conscious than Christmas Day. The family in the last analysis is more important than all the wealth of the world. It is God's creation, and, because it is, all efforts of the Communist to destroy or de-emphasize its importance will fail.

No workday is better used than for honest toil.

God would not have created the family to have it destroyed. He would not have given us work to do unless He knew its abundant rewards. Let us this Christmas Day and every day acknowledge His blessings. If we do, we indeed shall have a Merry Christmas.

#### THE DECEMBER COVER

WHEN six past presidents of the National Association of Credit Men get together, exchange of reminiscences threads through the conversation but is secondary to the basic theme of the progress of credit, and the widening of the horizon of the credit function in the overall service of expansion of profitable sales.

Here are executives of companies with widely diversified interests, yet all have been leaders in advancement of credit as a common goal.



Seated (1 to r) are Paul W. Miller, president, Marlborough Company, Atlanta; and C. Herbert Bradshaw, general credit manager, Bausch & Lomb Optical Company, Rochester, N. Y. Standing (l to r): Charles E. Fernald, Fernald & Co., Philadelphia; Chaudoin Callaway, Jr., treasurer, Crystal Springs Bleachery, Chicka-mauga, Ga.; D. M. Messer, vice pres-ident and treasurer of Dohrmann Commercial Company, San Francisco; and Bruce R. Tritton, retired, former executive of Magic Chef, Inc., St. Louis, now residing in Cleveland. Mr. Miller, elected NACM presi-

dent in 1942 at the St. Louis Credit Congress, is a past president of the Credit Research Foundation, Inc., which he helped establish.

Mr. Bradshaw was named to the NACM presidency at San Francisco (1954). He has been with Bausch & Lomb since 1926.

Head of the CPA company bearing his name and executive vice president of Lea River Lines, Inc., Mr. Fernald became NACM president at Cleveland in 1948 and headed the Research Foundation 1954-56.

Named NACM president at Atlantic City in 1949, Mr. Callaway before 1925 and association with Crystal Springs Bleachery had been with the N.C. & St. L. Railway and the Southern Railway.

Mr. Messer, native Californian, has

been with the Dohrmann Commercial Company and Dohrmann Hotel Supply Company for 36 years.

# FINANCIAL MANAGEMENT

General Manager, Edwin B. Moras Official Publication of The National Association of Credit Men

#### **VOLUME 58**

#### NUMBER 12

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# Washington

¶ MOUNTING PROTEST against the tax load upon business, Federal and statewise, is bringing a number of recommendations for changes in the Internal Revenue Code, and from widely varied sources.

Five major changes are suggested by the National Retail Dry Goods Association in a letter to the joint Congressional committee on internal revenue taxation, as follows. (1) Elimination of the double tax element on retail stores which prefer to report deferred payment sales on the instalment basis. (2) Permission to stores to use the "lower of LIFO cost or market" in valuing inventories. (3) Reenactment of sections 452 and 462 ("after regard to transitional problems") to permit taxpayers to defer prepaid income and established reasonable reserves for estimated expenses, with a five-year spread. (4) Removal of the inequity which denies accelerated depreciation to the retailer regardless of the useful life of the property. (5) Provision for retirement income of self-employed people for income tax purposes similar to that accorded employed individuals.

Provision in the law for averaging of income was proposed by Walter W. Maynard, partner in Shearson, Hammill & Co., New York, in addressing the Industrial Council of Rensselaer

Polytechnic Institute at Troy, N. Y.

Declaring that the capital gains tax inhibits the mobility of venture capital, Mr. Maynard called it "unfair that because of the inherent arithmetic of progressive taxation, a man earning a given amount of money over a period of years in irregular amounts must pay more taxes than a man earning the same amount in regular annual instalments."

The fact that 350 important changes or additions to tax laws were passed by 38 state legislative sessions this year shows that revision of state laws has become a continuous operation and that business must be on a nonstop alert as a result, says Commerce Clearing House. (Changes in state laws this year affecting credit operation have been incorporated in the 1957 Credit Manual of Commercial Laws, now on the presses.—Ed.)

¶ CONTINUED rise of capital investment and growing incomes' support of high customer demand have helped business to maintain its strong position, says the Department of Commerce. Private construction continued stable in the third

quarter, and retail sales of the quarter were as a whole higher than for the second period. For manufacturing and trade businesses together, 1955-56 sales and inventory movements were similar, said the October issue of the department's Survey of Current Business.

¶ THE THIRD LARGEST crop production in history, only 1 per cent under the peak volume of 1948, was estimated by the Department of Agriculture, with a 1 per cent increase in prospect, because of generally favorable late-growing and harvesting conditions.

On the negative side: Drought in much of the Great Plains area threatened millions of acres of winter wheat seeded for harvest next spring.

A record soybean crop was indicated, the third largest corn harvest and the second largest hay total. Wheat production was estimated at 975 million bushels, 39 million more than last year.

Overall farm output figured at about the same volume as in 1955.

¶ YES, FISHING AND HUNTING as recreational activities represent a sizable industry. Three billion dollars was spent in 1955 by 25 million fishermen and hunters, who drove their autos 10.4 billion miles in a composite 500 million days of sport in the year. The data apply to persons 12 years of age and older.

The survey was made by Crossley, S-D Surveys, Inc., of New York for the U. S. Fish and Wildlife Service, following a request by the International Association of Game, Fish and Conservation Commissioners, representing the fish and game departments of the 48 states.

Fishing expenditures average \$91.98 a person. Fresh-water fishermen outnumber the salt-

water four to one.

Hunters averaged \$79.49 outlay each.

Auto expenditures totaled \$365,799,000 for hunting and fishing combined.

■ Dollar-An-hour prevailing minimum wage went into effect October 8th on work on Government supply contracts over \$10,000, under the Public Contracts Act. The determination covers 36 industries in which rates had ranged from 75 to 99 cents an hour minimum.

The minimum under the Fair Labor Standards Act, applicable to goods produced for interstate commerce, had been raised last March to \$1 from 75 cents. Many workers in the 36 indus-

tries were covered by both this \$1 and the lower rates under the Public Contracts Act. This inconsistency is now eliminated. Employment of learners and apprentices at less than the \$1 is permitted under both Acts.

¶ A GREEN LIGHT for prosperity in the 12 months ahead was flashed with practically no fingers crossed in a poll of national officers and club presidents at a meeting here of the board of directors of the National Sales Executives. Ninety-nine per cent of those participating in a survey called the economic outlook good for the areas represented, one per cent said "fair."

Seventy-eight per cent predicted their companies would raise wages; 94% stated their companies had or would increase capital investment; 53% reported money unavailable for loans; 68% noted no consumer buying reluctance; 100 per cent forecast consumer buying desire would continue through this year; 98%, through 1957; and 66% said inflation or inflationary tendencies would affect their companies' operations.

OFFICIAL TEXTS—of all mobilization agency regulations may be had, free of charge, by writing the Information Division of the agency involved, Washington 25, D.C.

THE FEDERAL REGISTER—a Government daily publication, which contains full texts of all regulations, is available from the Superintendent of Documents, also at Washington 25.

Q PUBLICATION of a new "summary prospectus", giving investors more information on a company offering securities for sale, is proposed by the Securities and Exchange Commission.

Companies would be permitted to provide a brief statement of the general character of their business, offering price and underwriting terms, intended use of proceeds, summary of earnings, and like information.

¶ Ruling by the Internal Revenue Service: A net operating loss carryover of a corporation which reorganized into two successor corporations cannot be taken into consideration by the successor corporations.

Noting that all assets of the transferor corporation had been equally divided between two corporations, the Revenue Service emphasized that the Senate finance committee had specifically stated in its report that Section 381 of the 1954 Internal Revenue Code did not apply in the case of split-ups, spin-offs or other divisive reorganizations.

The new ruling applies to split-ups under Section 355 of the Code.

Q EVERY STATE in the Union showed record state tax collections for fiscal 1956, with the

average per capita state tax increase \$9.35, more than double the \$4 increase for fiscal 1952-53, which had been the greatest previous rise in the last five years. The per capita tax burden varied from the \$47 per capita average in New Jersey (city taxes high) to \$131 in Washington State (pays for many services ordinarily paid for at local levels in other states).

The average per capita state tax across the nation is \$81.60. How the figure has gone up in the last five years is shown as follows in a table of collections, made by Commerce Clearing House from U. S. Census Bureau statistics:

YEAR (ended June 30)	TOTAL TAX in \$ Billions	PER CAPITA TAX
1956	13.3	81.60
1955	11.6	72.25
1954	11.1	70.31
1953	10.6	68.00
1952	9.9	64.00

Ten states collected an average of more than \$100 from each resident.

Noted also by CCH is the fact that, beginning next year, employed workers in the top Social Security bracket will pay \$64.50 more per year in old age benefits tax than in 1937 when the system started, but the benefits will be greater. Employers will pay the same increase, totaling \$129 more a year than in 1937.

MORE AND BETTER business, with sales, inventory and expansion increases, is the order of the day, Government reports show.

Retail stores' sales exceeded \$123 billions the first eight months, 4% above the same period last year.

Outlay of \$35.3 billions for plant expansion and equipment is indicated for the year, a 1% increase over earlier estimates and 23% more than the record \$28.701 billions of last year.

Employment was at a top 66,750,000; personal income at a record \$325 billions; consumer credit also at a new high, \$37 billions at the end of July.

Manufacturing and trade inventories were \$85 billions, running \$7 billions above a year earlier.

The auto industry program was to spend twothirds more than in 1955, though the amount will be less than forecast earlier in the year. Steel also is programming larger expansion than last year but not as much as was predicted. Mining companies plan a 29 per cent larger outlay than in 1955, more than was planned a half year ago.

Automation is the answer of America to the competition from foreign products made with cheap labor, a House ways and means subcommittee was told by Charles Percy, president of Bell & Howell Company. Calling a liberal trade policy "in the best interest of our national economy and security," with the exception of industries that must be protected for defense reasons, Mr. Percy suggested the latter might better be accomplished by outright subsidy.



# Working Capital Thesis Challenged, Defended

THE DEBATE IS ON! And it's all over a definition of working capital offered by P. M. Chiuminatto,

secretary-treasurer of Charmin Paper Mills, Inc., Green Bay, Wis.

In his article which appeared serially in the August and September issues of Credit and Financial Management, Mr. Chiuminatto discussed the concept of working capital, methods of estimating the amount needed by a business, and the sources and management of working capital.

Wrote Mr. Chiuminatto: "Total money invested in a business is the concept usually used by man-

agers of a business in order to determine the efficiency of their operations."

This definition is one of the secretary-treasurer's assertions challenged by Leonard Marks, Jr., assistant professor of finance, graduate school of business, Stanford University, member of the faculty of the NACM Graduate School of Credit and Financial Management, and consulting associate of Credit Research Foundation, Inc.

In rebuttal Mr. Chiuminatto explains that his purpose in offering his alternative definition was to "give creditmen the general management concept which should enable them to do a better job of

analyzing their credit risks from the viewpoint of the customer's business as a whole."

Publishing both letters in full herewith, with others, CFM invites readers to present their views. Read the letters, refer back to the Chiuminatto articles in your copies of the August and September issues, then write us.-Ed.

#### Says "Loose Terminology" Can **Defends Definition as Better** Confuse Businessman, Banker Look at Credit Risk as Whole

By LEONARD MARKS, JR.

Assistant Professor of Finance, Graduate School of Business, Stanford University, Stanford, Calif.

THE article entitled 'Working Capital-A Key to Credit,' which appeared in August-September was provocative reading, to say the least. I feel compelled to comment on Mr. Chiuminatto's concept of working capital and upon his questionable analysis of the sources of said work-

ing capital.

(1) This is the first time that I have heard anyone use 'The total money invested in a business . . . ' as a principal definition of working capital. Such loose use of financial terminology can break down communication between teacher and student, let alone confuse businessman and banker. My major objection is that the author states, This is the concept usually used by managers of a business in order to determine the efficiency of their operations.' What is wrong with some of the classic terminology which has been used for years as the definition for total assets or total investment in a business?

(2) The confusion which may result from loose terminology is exceeded only by Mr. Chiuminatto's analysis on page 14 (August issue):

"Now, as credit executives, we have a very vital figure. We know that increased sales will demand 11.4 cents of additional working capital for each dollar of extra sales, but we also know that each dollar of additional sales will produce 15 cents of profit after taxes. Therefore, we can expand our business out of our own profits without the need of outside financing. On the way up we gain 3.6 cents on every additional dollar of sales."

I would like to have explained to me the nature of the business which can increase its sales and profits before increasing its working capital. More particularly, to use the figures of the text, if increased sales demand 11.4 cents of additional working capital for each dollar of sales, how are the sales made and profits earned without that 11.4 cents additional investment? It does seem to me that the increase in inventory and accounts receivable would have to occur before sales are increased. If my line of reasoning is correct, then how can the company in question expand its business ' . . . out of our own profits

(Concluded p. 9, bottom col. 1)

By P. M. CHIUMINATTO

Secretary and Treasurer, Charmin Paper Mills, Inc., Green Bay, Wis.

THE defining of working capital presents certain difficulties because the term is used in different ways by different people in dealing

with the subject.

My article states that the difference between current assets and current liabilities is what is usually called working capital by accountants, bankers and financial men. If a creditman wants to restrict himself to this narrow analysis of a business he can do so, but in so doing he will be losing for himself and his company the ability to take a look at the credit risk as a whole and determine what the future holds.

My statement that 'Total money invested in a business is the concept usually used by managers of a business in order to determine the efficiency of their operations' is still correct, and can be substantiated by reference to any of the programs of financial and accounting meetings where the 'Return on Total Investment' is now and for some time has been the No. 1 guidepost of efficient

My purpose in giving this defini-

tion as an alternative one to creditmen was to bring them out of the narrow field of current assets and current liabilities into the field of all the cash needed to operate a business, and to give them the general management concept which should enable them to do a better job of analyzing their credit risks from the viewpoint of the customer's business as a whole, and not only with the current assets and current liabilities.

The author of the criticism evidently wants to keep a line of demarcation between the creditman and the manager of a business. Insofar as the credit accounts are concerned, the credit manager of a business has to be a manager of the other fellow's business if he is to do a good job. Therefore, he must understand the problems of general managers.

#### Arriving at Vital Figure

With reference to the second criticism, the author does not get the essential point of my article and the value to be derived from a breakdown of the assets into fixed and variable, so as to arrive at the vital figure of how much additional capital is needed for each additional dollar of sales to see if the business generates more working capital than it needs as sales expand.

The author of the criticism assumes that the figures of 11.4 and 15.0 would remain the same if the inventory and production period were six months to one year, or whether it was 30 or 60 days, and that it would remain the same whether the accounts receivable turnover was 15 days or 60 days, depending on the terms. This is not true. These ratios, if properly determined, will tell you how much cash you need to carry an additional dollar of sales

#### MARKS

BEGUN ON P. 8

without the need of outside financing.'

This kind of loose thinking causes many businessmen to forget timing of working capital needs and to find themselves relying on their trade creditors to support increased sales until those profits do materialize. Thus, to have someone in Mr. Chiuminatto's position suggest this can be a method of financing in a magazine devoted to financial management and credit is to me 'increditable.'

and how much cash you will have after taxes from each dollar of additional sales. If the latter is greater than the former, you should have no difficulty in obtaining credit for the expansion from your regular sources of supply because you will be able to take care of your obligations without trouble.

Just to show how these ratios work, let us take the same business on two principles of operation:







P. M. CHIUMINATTO

#### NUMBER I

Sales Volume	\$25,000	
ashccts. Recventory	\$1,000 4% to Sales Normal Balance 1,000 4% to Sales 15 Day Turnover 2,000 8% to Sales 30 Day Turnover	
ccounts Payable	16% to Sales Total Variable 2,500 1% to Sales 30 Day Payment	
et Capital Neededet Profit on Sales	15% to Sales 15% to Sales	
Balance	-0-	

These figures indicate you can expand your business without outside help because if you increase your sales \$10,000 within 15 days after the sale you will have an additional \$1,500 of working capital and that is all you

need. If your production process is 30 days, you have no trouble because your creditors have been extending you 30-day credit and they will not object to the amount being larger if you take care of your obligations.

#### NUMBER 2

Sales Volume		00				
ash	\$1,000 3,000 6,000	4% 12% 24%	to to	Sales Sales Sales	Same 90 Day 90 Day	Turi
counts Payable	2,500	40%			Total V 30 Day	/aria Pay
et Capital Needed		39% 15%	to	Sales Sales		
ortage of Working Capital		24%	to	Sales		

If you increased your sales \$10,000 with this kind of a business, you would have to find \$2,400 of permanent working capital for your business, and the other \$1,500 would come to you over a period of 90 days through the profits on the additional sales. You would need no permanent outside financing for this part of the additional capital.

It would appear that the author of the criticism is jumping overboard too quickly when he calls such an analysis of working capital requirements "loose thinking." It is the best kind of thinking and the soundest planning one can do. The main thing is to know what your problem is; then you can solve it any way one desires.

On the other side, I would like to say that I have had numerous letters expressing satisfaction with the article and the broad and enlightened viewpoint given for the benefit of the creditman. In three instances permission has been granted to reproduce it for internal and external use.

#### Mr. Lorton Comments

Dear Mr. Chiuminatto:

I am writing to tell you how much I enjoyed Part II of your "Working Capital" series. Naturally, you would expect that I would enjoy the paragraph headed Field Warehousing.

Actually, there is a more general application of field warehousing to the problem of credit as experienced by many credit executives today. I am referring, of course, to Secured Distribution,\* which makes it possible for manufacturers to put inventory on the premises of distributors whose credit rating does not make it possible for them to carry a full line of merchandise.

Since apparently you are a close student of matters of this kind, I have taken the liberty of enclosing an article on this subject, published some time ago by CREDIT AND FINANCIAL MANAGEMENT, together with the

(Concluded on page 15)

#### By HOWARD S. BLITZ

Office Manager

Honolulu Gas Company, Ltd. Honolulu, Hawaii

HROUGH the years almost every small business on the Island of Molokai has been a credit problem at one time or another, and there are a few which never have been anything else. One of these is a customer of ours in the sleepy little village of Kaunakakai, the town made famous by Hilo Hattie's inimitable rendition of the popular song, "The Cockeyed Mayor of Kaunakakai." Molokai itself had gained prior renown through the founding by Father Damien in 1873 of the Kalaupapa Leper Settlement, across the mountains beneath the towering cliffs on the North Shore.

Molokai is 37 miles long and 10 miles wide, grows pineapple and beef, has too little water, and is faced with a dwindling population. This smallest of the five major Hawaiian Islands has only about 4,700 inhabitants today. Twenty years ago there were almost 6,700 residents. Beautiful, peaceful, isolated, friendly Molokai Island is a credit problem set to music, Hawaiian style.

#### MANAGEMENT AT WORK

#### .... a problem case is solved

We are a public utility, The Honolulu Gas Company, Ltd., with principal offices and operations in Honolulu, on the Island of Oahu. Beyond our city mains we sell Isle-Gas, a liquid petroleum gas, and our appliance and fuel services extend everywhere on all islands in the Hawaiian Group. We have branches on all major islands except Molokai, where the potential volume is so small that an estimated monthly branch operating expense of about \$600.00 would put us perhaps \$2,500.00 in the red each year. But we do have 48 butane cylinder customers and 38 yard-tank customers whose continuing requirements must be serviced. Altogether, these 86 butane consumers own about 175 gas appliances.

To solve this service problem in a manner which might portend a slight profit on our Molokai operations, we appointed Mr. Kakalina Kalepa as our franchised dealer in gas and gas appliances. The Hawaiian translation of this fictitious name is "gas dealer." Mr. Kalepa had started his business in 1950 at the same time we entered the field in Kaunakakai: he had a service station and repair business, and after obtaining our franchise to deal in gas and appliances, he added radios and later TV. He was also an auto dealer, although most sales were by mail-order on new models, with the trade-ins to be sold locally upon arrival of the new car, in each sale.

Mr. Kalepa was assisted by his charming wife, and the beginnings which they made showed both effort and promise. However, with a declining population, an acute water shortage and a prolonged strike in the pineapple fields, the picture changed quite radically and by mid-1953 the Kalepas were in our debt to the tune of \$5,600,00.

#### Six Factors in Situation

At that point we determined the following factors:

(1) We had a moral obligation to insure continuing service to Molokai gas consumers.

(2) The Kalepa family was a well-established "Kamaaina" (oldtimers) household. As in most small towns, one can seldom gain local favor subsequent to transactions unfavorable to a native son, regardless of the circumstances.

(3) The Kalepas were earnest and sincere, deserving of our continuing support under a workable arrangement.

(4) We were one of their primary creditors; there were personal assets (property) uncommitted; net worth about \$12,000.00.

(5) We were making a small



CREDIT as an augmenter of profit sales is of equal interest to these executives of Honolulu Gas Company, Ltd. Left to right are James C. Spofford, executive vice president and general manager; Howard S. Blitz, office manager; and Howard W. Magnuson, general sales manager.

Mr. Spofford, born in Hackensack, N. J., is a graduate of Rice Institute, took extension courses at Rutgers U, Texas A & M, New York U, Brooklyn Polytechnic Institute, and attended a Harvard course in advanced management at the University of Hawaii.

Mr. Magnuson, native of Portland, Ore., attended Hasting Business College and was with Superbilt Mfg. Co. and Portland Gas & Coke Co. before joining Honolulu Gas Co., last year, as supervisor of utility sales.

HOWARD S. BLITZ, office manager, Honolulu Gas Company, Ltd., and immediate past president of the Hawaii Credit Men's Association, has been assistant treasurer of that company and was also assistant treasurer of Pacific Refiners, Ltd.. before the latter's liquidation. He is a past director of the Honolulu Chapter. National Association of Cost Accountants.

Mr. Blitz, who in World War II rose from enlisted man to lieutenant colonel in the Army transportation corps, has many avacations, among them numismatics and collection of early Americana, including rudimentary labor-saving devices of the Islands, and old broadsides.

profit on Isle-Gas bulk shipments and on appliance sales under existing arrangements, which of course our sales manager wished to see continued.

(6) Were we to conduct our own branch on Molokai, we might do a worse job of it than the Kalepas were doing for us, under the unusual local conditions.

#### Jointly Executed Demand Note

We obtained from the Kalepas a jointly executed demand note for \$5,600.00, bearing 51/2% interest, and payable in instalments of \$160.00 per month in addition to and together with interest. The payment schedule was set forth without impairment of our right to require payment "as otherwise herein provided." At the same time, we initiated a requirement that all appliance contracts be discounted through us for credit to their 30-day merchandise ledger. This allowed them to collect commissions as down-payments and maintain their regular account on a current basis. Things went along as per plan-for a few months.

Then in 1954 Molokai suffered another period of severe drouth, bringing mass lay-offs in the limited agrarian economy. Subsequently Mr. Kalepa was in an accident which put him out of circulation for a while, and the business suffered. While the note account had been reduced to around \$3,700.00 by the end of that year, our efforts to be understanding and cooperative with them and with the community at large had allowed their regular account to rise well be-

(Concluded on page 41)

# How follow-ups by telephone improve collections, keep good will



I When you telephone an out-of-town customer, you can request payment as tactfully as if you were face to face. And you'll find this personal approach brings prompt results.



2 Schedule follow-up telephone calls after a specific period of time has elapsed—and on a specific day each week. This kind of planning will save you time, prevent oversights.



3 Keep a record of results by telephone—you can prove how successful this method is in making collections. Why not try it, starting today?

#### LONG DISTANCE RATES ARE LOW

Here are some examples:

Cincinnati to Indianapoli	S				55¢
Boston to New York .					75€
Chicago to Cleveland .	115		-	12	\$100
New Orleans to Dallas .		18			\$125
San Francisco to Denver				-	\$170

These are the daytime Station-to-Station rates for the first three minutes. They do not include the 10% federal excise tax.

BELL TELEPHONE SYSTEM



Call by Number. It's Twice as Fast.

# LIFO or FIFO? Long Range View Should Decide in All Tax Saving Considerations

N EITHER LIFO (last in-first out) nor FIFO (first in-first out) should be regarded as a



T. G. MORR

panacea in determination of inventory methods; instead, the decision should rest upon which method is peculiarly suitable to the business and is the more easily administered,

says Thomas G. Morris, assistant secretary-treasurer of Pittsburgh-Des Moines Company and credit manager of Pittsburgh-Des Moines Steel Com-

Of the prerogatives allowed by the Internal Revenue Code, "perhaps the greatest latitude and discretion permitted is in adoption of inventory methods," Mr. Morris notes. Because in many businesses the inventory is the largest single current asset and sometimes the largest asset, the discretionary methods allowed may indicate needed revision of the accepted ratios of inventory to net working capital, current debt, net worth, and profit and loss, he suggests.

Effective inventory control means more than elaborate bookkeeping; it "involves purchasing policies of maintaining stocks in proper balance to prevent over-stocking, which may involve an unnecessary tieup of capital, and under-stocking, which may entail needless expense in lost or increased delivery costs to meet schedules. In addition, selectivity is a very definite factor.

"Theoretically, but rarely in actual practice in a complicated business, the book value generally determined on a cost or market basis, whichever is lower, should agree with the value of the physical inventory at its date of making, usually once a year.

#### The Lesson of Adjustment

"When the physical inventory is taken, an adjustment is made on the books so that the value reflected on the books agrees with the value of the materials actually on hand. If this adjustment results in a reduction of the book value, it is evident that the charge from inventory to 'cost of goods' or 'operations' has been inadequate and the resultant charge to expense is a deduction for tax purposes. Conversely if an increase of value results, over-charging from inventory has occurred, and the increment is added to the income account and tax paid on the increase."

Mr. Morris takes as examples a distributor of packaged goods and a manufacturer of steel products. "In the first-named, by specific cost records and specifications the inventory is not as difficult to control as in the latter, where purchases of similar items at different prices are made, and quantity and various mill extras are added to the basic price.

"Inventory losses of packaged and small items may occur by reason of infidelity of employees. Unfortunately, this is becoming increasingly prevalent. For example, a recent case reported a loss of approximately \$1,000,000 to a state hospital in Illinois due to looting of foodstuffs and supplies over a four-year period by employees. Obviously, inventory control was inadequate. Theft of heavy materials in the steel fabricating business

must be made yearly to reconcile the physical count with the book figures. If accurate and adequate records are not maintained the inventory will not be properly costed into 'cost of goods' or into 'operations', nor will the valuation of the inventory at the physical count date be accurate.

"Sound accounting practice over

is not a problem, but adjustments

"Sound accounting practice over the years has required inventory for statement purposes to be on the basis of cost or market, whichever is lower."

#### Costing of Goods More Important

Of greater impact on value and profit or loss than the pricing of inventories at the time of physical count is the costing of goods into "cost of goods" or "operations," Mr. Morris notes.

"Under the FIFO system, transfers from the inventory are made on the premise that the inventory first purchased is first used and therefore costed into 'cost of goods' or 'operations' in order of acquisitions." This method, he says, is relatively easy to use, and is particularly adaptable in certain industries.

"The inventory value reflected on the balance sheet is more in line with the current commercial value than in the case of the LIFO method.

"LIFO is particularly adaptable to an industry where a co-mingling of like items is a factor. Some proponents of LIFO contend that in a rising price structure or economy the FIFO system results in a higher or inflated value on inventory on hand at the close of the fiscal period. It should be recognized, however, that the profits resulting from a rising market under the FIFO method would, of course, be realized upon liquidation of a part of the inventory. If, however, the inventory must be replaced by goods purchased at higher prices, no advantage is gained."

Mr. Morris emphasizes that "it is the replacement and not the original cost that is important. The LIFO system tends to level off sharp fluctua-

BECOMING associated with Pittsburgh-Des Moines Company, and Pittsburgh-Des Moines Steel Co., in 1937, as assistant credit manager, Thomas G. Morris ten years later was elected assistant secretary-treasurer of the former and credit manager of the latter company.

Alumnus of the N.A.C.M.

Alumnus of the N.A.C.M. Graduate School of Credit and Financial Management (Dartmouth 1952), Mr. Morris also holds the Fellow Award of the National Institute of Credit (1941). He attended Duquesne University. Mr. Morris is a vice president and director of the Credit Association of Western Pennsylvania.

tions, and in principle it defers the taking of profits. FIFO, on the other hand, would immediately show losses. Theoretically, over a long period the results from a profit standpoint should about equalize. LIFO, however, is the more conservative method, and it avoids illusory profits from inventory in a rapidly rising market."

Noting that the tax angle frequently has been advanced as a motivation for adopting LIFO, the executive advises that in all tax considerations a long range view should be taken. In recent years certain favorable provisions were written into the Code whereby LIFO taxpayers obtained some adjustment where it could be shown that, as a result of war, all or a part of the basic inventory had been utilized in the conduct of a national emergency. Undoubtedly because of the inflationary economy since the early Forties, tax savings have resulted to some users of LIFO. As to the future, time and events will determine the tax savings, if any.

"Of more importance for LIFO adoption," says Mr. Morris, "is its conservative feature, the preventing of fallacious book profits in a rapidly rising market, and its characteristic of deferring or leveling off profits, thus avoiding to a large extent sharp rises and falls of profits attributable solely to inventory transactions and not to profits resulting from operations."

#### Capital Formation Too Fast For Stable Dollar: Mitchell

Warning against inflationary tendencies, Vice President George W. Mitchell of the Federal Reserve Bank in Chicago told the American Statistical Association, meeting in Detroit, that capital formation was proceeding at a clip faster than the economy could support without affecting dollar stability.

While noting the monetary powers' checkrein on the expansionary forces, Mr. Mitchell said the monetary policy worked more smoothly when borrowers and lenders recognized the symptoms of inflation and were ready to assume their part of the responsibility for remedies.

The banker declared consumers, businesses, commercial banks and other financial intermediaries all have pushed their liquidity near the limit. "-for Mr. Robinson." She looked pointedly at the Treasurer.



### The Treasurer takes a phone call

"I'd really prefer not to do it myself!" The President was more than usually positive.

"Well, sir—" and the Treasurer never called the President 'Sir' except at times like this "—if you'd rather, I'm certainly willing to do it. If you hadn't been going to Denver for the Convention—" he raced on past the other's efforts to get a word in "—I would have gone automatically and—"

"Oh, I know that, Charley!" the President broke in. "But look here—" and his smile belied the severity of his tone as he went on, "—if you went, you'd collect the amount due, all right, but we'd probably lose the account as a customer—Yes, Miss Trevor?" The President's question was toward his secretary, demurely poised at the half open door.

"I have a call for Mr. Robinson." She looked pointedly at the Treasurer.

"I'll take it here," the Treasurer said.

"Go ahead, Charley." The President dropped into his chair.

The Treasurer picked up the phone. "Yes?" he said.

"Oh, yes, Don!" said the Treasurer.

"Well, well," said the Treasurer, "Denver, eh?" The President looked up at him suspiciously.

"That's fine," said the Treasurer.

"I'll have to let you know," said the Treasurer. "Thanks very much." He hung up.

"Well?" the President inquired.

"Very well!" The Treasurer grinned at him.

"Come on, out with it, Charley!" the President urged. "You take a phone call here that breaks into our discussion of the Denver account, and it turns out to be something about the account, doesn't it?"

"I confess," the Treasurer said with mock humility. "And I apologize for asking you to approach one of our overdue accounts! It seems that we are already represented by attorneys in Denver." "Then you did find a good lawyer?" The President's voice was eager.

"No, I didn't," the Treasurer said. "But American Credit Indemnity did—or already had!" He laughed aloud. "That was Don, our Credit Manager," he went on. "He says American Credit Indemnity has collected the Denver account for us! Don placed the account with them about a week ago, and they have a Service Department to take care of things like that.

"The account not only paid up, but—" and he paused to let his final statement sink in "—they want to duplicate their last order. We'll have to discuss terms with them—or do you want to handle that personally while you're in Denver?"

"I think I'll do just that," said the President gravely. Then he and the Treasurer both laughed, to the great mystification of the President's secretary, once again demurely poised at the half open door.

A service Department for handling collections is only one of 12 major benefits of American Credit Insurance. For your copy of a booklet, "A Preface to Profits," write American Credit Insurance, Dept. 47, First National Bank Building, Baltimore 2, Md.

American
Credit
Indemnity
COMPANY OF NEW YORK

# HOW TO GET THAT FINANCIAL STATEMENT

#### Plus and Minus Cases Trace Four Steps Proven Successful

By T. E. GOODRUM Credit Manager Igleheart Division of General Foods Corporation Evansville, Indiana

THE CUSTOMER that hesitates to send a balance sheet and operating statement is usually the account that



T. E. GOODRUM

rapidly or operating on limited capital. Generally, such an account is under the impression that

is expanding too

(1) His financial position is

not of the credit manager's concern;

(2) The confidential information will be divulged to others, particularly to his competitors; or

(3) Other suppliers are giving him credit, so why provide a financial statement?

This creates a problem but not an insurmountable one. Our company sells only to wholesalers and manufacturers and so all our contracts are through our sales department and our brokers. This is the procedure we usually follow to obtain financial statements:

(1) We have our salesman or broker ask the customer to send us a financial statement at the time the credit application is initiated.

(2) If the customer does not comply with this request, we write or call our salesman or broker, suggesting that we send the customer a financial statement form.

(3) We send the form and tell the account the statement is necessary if we are to extend open terms. We assure him that it will be treated in a strictly confidential manner.

(4) If the customer does not respond to our request within a reasonable length of time, we may write him again, or, if the account has a large enough potential, we may phone him long distance or pay a personal visit.

This brings to mind two good examples of our procedure—one in

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BEGINNING his business career with Chrysler Corporation,
T. E. Goodrum left to become accounting clerk at Igleheart Brothers, Evansville, Ind., now a division of General Foods Corporation.

After being assigned successively to posts in production, inventory, methods, purchasing and personnel supervision, he was named credit manager.

Mr. Goodrum is immediate past president of NACM Tri-State Area, Inc., Evansville.

which the credit line was reduced, another where the credit line was increased.

The first was a baker in the New England area to whom we were selling carload deliveries out of our Evansville plant. Through normal trade channels we were able to obtain only estimated financial figures, several years old. The principals would not furnish up-to-date information. Finally, through our broker, they sent us a current balance sheet. This proved, as we had suspected, that they were losing ground and that large withdrawals were being made by the partners. In view of this, their credit was reduced to weekly withdrawals from warehouse stock, authorized by our broker.

In the last six months their business has shown improvement. We believe it eventually will work up to a point where we again can authorize carload deliveries from our plant.

#### Get Statement, Double the Line

The second case concerned a wholesale food distributor in the East. Here again we worked with our broker, and at his suggestion we wrote the customer. That was two

This country will always have two political parties. They need each other for alibis.

-Changing Times

years ago. He not only sent us the statement but he continues to send us one annually. From these statements we were able to justify doubling his credit line, and we are shipping two carloads a month. Furthermore, at the customer's request, these shipments are handled on a 30-day trade acceptance basis. All these transactions have been paid as agreed. Before this, he had been paying us 10 to 30 days slow.

While we do not intend to imply that it succeeds every time, we have found that by working with our sales department and our brokers we do obtain good results. We recommend this course of action to other credit managers.

#### Consumer Credit Regulation Not Needed, Federal Is Told

Reaffirming its stand that Federal regulation of consumer credit is unnecessary, the National Retail Dry Goods Association, through its president, Philip M. Talbott, senior vice president of Woodward & Lothrop, Inc., Washington, D. C., declares that "so long as credit is being extended on the basis of the integrity and capacity of the consumer, with terms which insure an adequate buildup of the consumer's equity, regulations are not needed."

Mr. Talbott's letter was in reply to George D. Bailey, special consultant to the board of governors of the Federal Reserve System, which is making a study of consumer credit's part in the growing economy.

#### NABAC Names Bomar President

S. H. Bomar, vice president and treasurer, Trust Company of Georgia, Atlanta, has been elected president of The National Association of Bank Auditors and Comptrollers.

#### A.I.A. Award to Seidman

J. S. Seidman, New York certified public accountant, author and tax columnist, has received the 1956 award of the American Institute of Accountants for outstanding service to the profession. Credit Research Foundation's "Study on Field Warehousing," which perhaps you might not have in your files.

One of the real problems facing many distributors of hard goods today is that of trying to get adequate bank financing at the local level, with the principal asset involved being that of inventory. Banks are becoming increasingly reluctant to lend on inventories composed of special function items, such as room air conditioners, heating units, pumps, etc., and about the only place the distributor can turn for financial assistance is to the manufacturer of these items. This is a trend which we have noticed is increasing with great rapidity, especially in the current tight money market.

Please accept the writer's thanks for your brief but sound and knowledgable reference to our industry in your excellent article.

PAUL LORTON
Vice President, Lawrence Warehouse
Co., San Francisco.

\* A registered Service Mark of the Lawrence Warehouse Company.

#### Calls Article "Splendid"; Reviews It for Group

The following is a copy of a letter from Mrs. Beath H. Robinson to P. M. Chiuminatto, secretary and treasurer, Charmin Paper Mills, Inc., Green Bay, Wis.

Dear Mr. Chiuminatto:

Your article, "Working Capital—A Key to Credit," in the August and September issues of CREDIT AND FINANCIAL MANAGEMENT is so splendid that I'd like to do a review of it for our local Credit Group.

Also, I used your formula in making comparisons for the four corporations in our Williams & Voris operations. Some interesting observations came out of this.

There is one point, however, I'd like to ask you to clarify. In the formula for determining return on investment, is the Profit figure before or after income taxes?

Thanks for letting credit people read your fine article, and many thanks for answering my question.

BEATH H. ROBINSON

Treasurer, Williams & Voris Lumber
Co., Chattanooga 7, Tenn.



# We reopened just 36 hours after the fire-

Our Hartford Agent made every minute count!

(Based on Company File #H54-25820)

Last-minute Saturday shoppers ran for the street when fire broke out in our store.

We turned in an alarm at once. But by the time the fire was under control, our one-story building was badly damaged.

My partner meanwhile had called our Hartford Agent. He said not to worry. The Agent got hold of the local adjuster and the two of them were on the scene within an hour. Sizing up the situation, they authorized immediate repairs. They located contractors who could begin work that night. And both agent and adjuster spent all day Sunday on the premises. Under their watchful eyes, the work moved right along.

Thanks to this splendid help, we were able to reopen Monday morning. "Business as usual" — just 36 hours after the fire!

No lost time here. No lost motion.

There are situations, of course, that take longer than 36 hours to straighten out. But prompt service is always a Hartford objective.

A good point to remember! The Hartford type of time-saving, useful service strengthens any insurance program. Get Hartford protection for your own company through your Hartford Agent or your insurance broker. And count it a big plus for credit applicants when they have Hartford coverage!

Year in and year out you'll do well with the

#### Hartford

# Automatic Battery Typewrites "30" **To Problem of Communication Delay**

RADITIONALLY prone to repetitive handling and, consequently, to delay in office operations, are the communications functions, both correspondence and wire messages. The experience of The Borden Company in speeding up operations and eliminating errors in these areas should prove valuable to

other companies.

Begun nearly a century ago as the New York Condensed Milk Company, by Gail Borden, inventor of the condensed milk process, in partnership with Jeremiah Milbank, a New York banker, The Borden Company today handles hundreds of items instead of one. The original one-plant enterprise has grown into a vast network of plants, laboratories, sales offices, and receiving and distributing stations. Borden's also has operations in Canada and its products are sold in hundreds of places abroad.

On the basis of sales, it is called the fifth largest food company in the United States and the country's second largest concern specializing in dairy products. Under its diversification program, Borden has become a producer of chemicals and plastics, animal and poultry feeds, dry milks and instant coffee, and soybean processor. The company has 33,000 employees and nearly 50,000 stock-

The daily activities of an organization of such scope demand speed of communication and elimination of repetitive tasks and detail in every possible area of operation. A valuable aid in achieving efficiency, lowering costs and eliminating errors in the communications areas named is Borden's battery of Flexowriter automatic writing machines, which began with one unit and now numbers five.

Quality letters in quantity, offset masters, telegraph and teletype communications, these are areas where results have been markedly successful with the Flexowriter machine of Commercial Controls Corporation.

"Before buying our first Flexowriter," reports G. M. Van Valkenburgh, Borden's manager of general services, "our duplicating department was equipped with two automatic typewriters which had been used whenever a number of identical letters in original type were required. such as letters from our president to our stockholders. When the automatic typewriters began to show signs of wear, it was decided to replace one of them with a Flexowriter. We believed the additional cost was justified because master tapes could be prepared more easily by less experienced operators, less space is required for storage of masters, and the machines themselves are smaller."

With the Flexowriter automatic writing machine a letter is typed only once. At the same time a punched paper tape is produced, which will actuate the same or another Flexowriter to produce the text of the letter at the rate of 100 words per minute.

"The Flexowriter also does a fine job of typing offset paper masters. Some of the tapes thus used are filed, for reproducing additional masters later."

#### More Letters, Lower Cost

"After the first Flexowriter had proved its worth," the Borden executive notes, "one of our divisions decided to follow up key sales calls with a series of letters. These had to be quality letters designed to impress the recipient. Three additional Flexowriters were purchased to do the job and they have worked very well. One typist can keep the four machines going if the letter is of medium length and if addresses are not too long."

"Cost has proved to be favorable. Before buying the Flexowriters, quotations were obtained from three mailing companies for this work and the lowest price was 28 cents a letter. Our cost including depreciation," says Mr. Van Valkenburgh, "has come to approximately 14 cents each. While production has been less than manufacturer's claims (which of course are based on ideal conditions), consideration is given to the fact that we used a number of letters with considerable changes and handwritten addresses, which slowed production."

Satisfaction with results led to installation of a fifth Flexowriter. This is used to type recorded telegraph and



FLEXOWRITER in Borden's communications department punches paper tape as message for wire transmission is typed on machine. The tape actuates wire transmitting equipment which speeds the message to offices across the country.



THE BORDEN COMPANY letter writing department—Operated is one of the battery of Flexowriter automatic writing machines manufactured by Commercial Controls Corporation. The letter is typed only once. At the same time a punched paper tape is produced which will actuate the same, or another, Flexowriter to produce the text of the letter at the rate of 100 words per min. Thus Borden has eliminated repetitive writing of form letters. The Flexowriter unit is adaptable to direct mail promotion and many other systems where automatic typing is feasible, such as sales letters, invoices and orders.

teletype messages in Borden's communications department. "Thomas Edison dictating machines are connected through our automatic dial telephone system with all our telephones. All written wire communications are dictated to these machines, and file copies together with a perforated tape are prepared when the messages are transcribed on the Flexowriter. The tapes are used to send all messages through automatic transmitters over the telegraph and teletype wires. The system saves messenger pickup time, is convenient for the sender in that he does not need to call a secretary or leave his desk, and it cuts down on the possibility of error because the message is typed only once."

Columnist Stars Coleman in The Romance of Automation

Behind the growth of every industrial enterprise is a man, and behind the Burroughs Corporation, Detroit equipment manufacturing concern, which The New York Times financial columnist, Alfred R. Zipser, declares is "1956 challenger of International Business Machines Corporation, Sperry-Rand, Inc., and other leaders in office and factory automation equipment," lies the saga of John S. Coleman, subject of a personality sketch in the New York paper.

When Mr. Coleman stepped into the presidency of the electronics and accounting equipment manufacturing company in 1946, sales were about \$50 millions. Last year they aggregated \$219 millions, and they promise to reach \$270 millions this year. First to come under Mr. Cole-

man's management program were the company's manufacturing methods. Next came sales—there are 2,200 salesmen now on the payroll, compared with 900 ten years ago. Research in electronic and other sciences has taken the company into many new and promising fields. The adding machine, once the core of the business, now accounts for only 10 per cent of the expanded, diversified line of products which includes the Sensimatic accounting machine, Micro-Twin microfilming unit, and a range of electronic systems for banks and other businesses.

Besides 30 plants in six countries, plants in Detroit and Plymouth, Mich., research centers at Paoli and Great Valley, Pa., the company has these subsidiaries: The Todd Company, of Rochester, N.Y.; Charles R. Hadley Company, Los Angeles; and the ElectroData Corporation. Control Instrument Company, Brooklyn, and Haydu Brothers, Plainfield, N.J., are subsidiaries of the company engaged in defense and other electronics work. Employees of the worldwide organization total over 26,000.

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EVEN WHEN IT'S OUT OF YOUR HANDS!

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OVER HALF A CENTURY OF CONTINUOUS SERVICE IN CREDIT INSURANCE

# Forward-Looking Credit Policy for Twofold Goal

#### Control of Losses and Promotion of Sales Achieved by Avoiding Extremes

By E. W. KANE Treasurer

American Hard Rubber Company New York, N. Y.

ANY years ago, creditmen were considered "hard-boiled," and in many cases there was not the proper cooperation between the sales and credit departments.

That condition in most organizations has changed, and rightfully so, for without a sales department or credit department an organization could not properly function.

Now let's go back a few decades ago. At that time quite a lot of business was lost because the credit department was unable to work out satisfactory credit arrangements with the customers. In many instances they had to be rated very high before credit would be allowed.

#### Control Losses, Promote Sales

In order to justify its existence, the credit department should aim to accomplish two things, namely: control losses and promote sales. The controlling principle in either case, reflecting the viewpoint of the management, is expressed in the form of a credit policy and becomes effective according to the interpretation and the skill of the credit manager in applying it.

In formulating a credit policy, businessmen are inclined to divide into two groups representing two extreme points of view:

First, those who are adverse to losing money and prefer a strict policy that insures very small credit losses.

Second, those who are adverse to losing orders and are willing to risk much, if necessary, in order to increase sales and build up a big business.

Between these two groups there are those who are inclined to a more moderate view. In attempting to write an outline of our credit policy, I am really presenting that view.

Briefly stated, our credit policy is based upon well-known credit principles, broadly interpreted, and it naturally varies somewhat from time to time, according to changing conditions. We believe that losses should be controlled and we also believe in sales expansion. While we do not like to lose money, we are not afraid or unwilling to assume ordinary risks, and while we form a policy that encourages sales expansion, we do not believe in being reckless.

It is not possible to maintain a proper balance between losses and sales all the time, but we have been fairly successful in the long run. Profits are often a determining fac-

BECOMING credit manager of the American Hard Rubber Company, New York, May 10, 1924, E. W. Kane was promoted to assistant treasurer Oct. 26, 1942. He was elected treasurer on April 10, 1947.

tor in granting credit, and should always be taken into consideration in doubtful cases.

We believe that integrity is a big business asset and that men of small means and others who are honest and industrious should be encouraged. It has been our policy for many years to accommodate such people, ofttimes far beyond reasonable limits. Many of our good customers today were secured as a result of this policy.

We believe that inventors should be encouraged, and have given liberally of our time and experience in assisting men to develop their inventions. However, experience has taught us that in most cases this kind of business should be done on a strictly cash basis, at least during the experimental stage.

#### Goodwill a Valuable Asset

We believe that goodwill is a valuable asset, and have incorporated it into our credit policy. Credit and collection letters and personal interviews are expected to reflect this spirit, at least to the extent of not being antagonistic, and can be made to serve a useful purpose in promoting sales.

Our foreign policy is still in a formative state, and must remain so

for some time to come, because of the bad economic conditions and instability of governments, particularly in some European countries and Latin-American states.

Finally, the writer believes we have a credit policy that is constructive, and, if properly interpreted and applied, will reasonably control losses and promote sales.

#### New Office Tools Introduced At NOMA Philadelphia Show

These new tools for the modern office were among those introduced at the 1956 Office Machinery and Equipment exposition in Philadelphia, by the National Office Management Association (NOMA):

Cincinnati Time Recorder Company demonstrated its fully automatic central time recording system that accommodates from one to thirty remote stations.

Addo Machine Company presented its electric typewriter with automatic paper injector and ejector, variable key depression to ease the switch from manual to electric typing and interchangeable carriage.

Bohn Duplicator Corporation offered a new electronic stencil cutter that is said to permit any mimeograph machine to do the same kind of printing as with type and photoengravings. An electronic scanning device transfers copy to stencil with definition up to 750 lines an inch.

E-Z Sort Systems, Ltd. exhibited an all-purpose automatic key groover, said to be the only machine that grooves 1-2-3-4 row hole cards. The system produces marginally punched cards to speed the recording of routine clerical data.

General Fireproofing Company displayed its new "Package Office" and a complete office with drapery designs by Frank Lloyd Wright.

Felt & Tarrant Manufacturing Company's new 10-key machine with semi-automatic multiplying feature was shown for the first time. The unit prints both factors as well as the answer on the addition tape, so that visual check of the results can be made.

#### Controlled Flexibility of Credit Is Urged by Banker

Needed restraint "without interfering with good business"—not denying credit for constructive purposes but refusing it for speculation—is the way the current commercial bank credit policy is defined by Walter B. French, American Bankers Association.

Declaring that "the business atmosphere is changing, with many people having serious doubts as to the economic wellbeing" this final quarter, Mr. French told the school of banking at the University of Wisconsin that instalment credit "must be kept in proper balance." (Since Mr. French's address, the Federal Reserve System again has raised interest rates.—Ed.)

#### Major Problems

Inflation control and new international economic relationships are the two pressing problems of the day, says President John S. Sinclair of The National Industrial Conference Board.

"We cannot lose sight of the fact that since the late Thirties the purchasing power of the dollar has declined by nearly one-half, nor can we be complacent about the present situation," Mr. Sinclair's report says.

Real hope for future world understanding, he added, lies in American industry's efforts to solve the complications of foreign trade and investment.

#### Venture Capital Flow

SUPPLIER, rather than receiver, of private venture capital funds will be Canada's role under operations of the new International Finance Corporation, says the Bank of Montreal in its Review.

Part of the objective in formation of the new organization, besides stimulating the flow of private venture capital to underdeveloped countries, is to bridge the lack of communication between those lands and private interests in the capital-exporting nations.

#### **Common Machine Language**

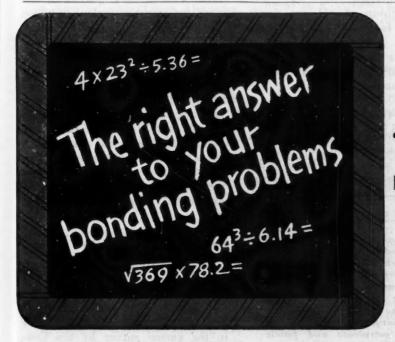
RECOMMENDATION that "magnetic ink character recognition" be made the "common machine language" for automatic processing of bank checks throughout the nation, may bring

rapid development of electronic machines that will sort, prove and post checks, says the American Bankers Association through its bank management commission.

Likening "common machine language" to "standard gauge track" in railroading, the commission proposes that all electronic machines for automatic check handling, regardless of manufacturer, "be able to read and process checks coded with figures printed in magnetic ink."

#### More Curbs in Britain On Volume of Credit

FURTHER TIGHTENING of the British Government's already shortened checkrein on volume of credit for commercial and private borrowers is emerging from a meeting with 30 leading British and foreign bankers at the call of Harold Macmillan, chancellor of the exchequer. Higher exports and a strong pound sterling were the objectives of the earlier move that had boosted to 5½ per cent the charge on Bank of England loans to commercial banks. That's where the rate stood when the chancellor summoned the bankers.





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# Trends

#### in industry

#### in finance

#### **Decentralized Purchasing**

DISPERSION of purchasing authority is the trend, though slow, in manufacturing, says the National Industrial Conference Board, noting that of 212 manufacturing companies surveyed, one in three had altered organization of its purchasing operations and 60 per cent of such changes were in the direction of decentralizing. Many urged better standards to gauge buying proficiency and the purchasing administration.

The Board also studied 923 union agreements and found a leaning toward longer-term contracts.

#### Gift Tax v. Estate Tax

A SINGLE TRANSFER TAX, integrating the gift tax and the estate tax, would correct the present "unrealistic, double approach" to taxation and could be coordinated with income taxes to clear the confusion and contradictions, writes John P. Goedert, CPA, partner in Alexander Grant & Co., Chicago, in the "Journal of Accountancy."

#### Capitalism Clarified

FIVE MISCONCEPTIONS of American capitalism in other lands and some facts to set the record straight are presented in a booklet issued by Ethyl Corporation, New York 17, N. Y. The work consists of excerpts from a seminar lecture by Massimo Salvadori, professor of history at Smith College and Bennington College, who has been a United Nations division director and member of the secretariat of the North Atlantic Treaty Organization.

The five outstanding misconceptions are that prosperity in the United States is due to its natural resources rather than its capitalistic system; (2) the American economic system is inefficient and wasteful; (3) the U. S. system is unstable and the individual insecure; (4) U. S. is a plutocracy

with wealth concentrated in a few hands, and (5) the American economy is unplanned.

The booklet also seeks to correct some foreign mis-definitions of American life, and presents questions and answers aimed to clear away the cobwebs of ignorance and bias against the American way.

#### 100-Year Life Expectancy

Today's Rate of progress in improved health and modified mode of living indicates that toward the end of the century the life expectancy, man and woman, may approach 100 years, says Dr. Selman A. Waksman, director, institute of microbiology, Rutgers University.

The problem of old age comes "first and foremost" because of advances in medicine the last two decades, the educator told a seminar of the American Bankers Association's graduate school.

#### Offshore Oil Quandary

WHEN the U. S. Supreme Court ordered Louisiana and the U. S. government to sell no more leases in the offshore disputed area and barred

#### \$12,500 a Worker

How much worth is the equipment used by the average American worker? \$12,500, says the Council for Technological Advancement. That's twice the investment in equipment for a farm job. Top marks for capital investment per worker are shared by the petroleum and public utility industries.

Risk capital to equip new essential enterprises has not increased in proportion to savings, largely institutionalized in welfare funds and foundations, whereas "job security and higher living standards tomorrow depend on risk-taking investment in pioneering ventures today."

further drillings until a settlement is reached, the oil industry feared all exploratory and development activity in the area would come to a standstill when present wells are completed.

Because of lack of agreement whether the area beginning three miles from shore and extending 7½ miles seaward should follow the shoreline contour or be direct from one point to another, the socalled "twilight zone" in some sections might be 35 to 40 miles.

#### Speculative Stockpiling?

CLOSE ATTENTION to inventory accumulation in Canada is advised in light of the \$1.2 billion total business inventories the first quarter of this year, contrasted with the half-billion figure for the last quarter of 1955.

In line with the continuing buoyancy of the Canadian economy, the Bank of Montreal points to the first-quarter increase of almost one third in expenditures for new production facilities, and planned total 1956 capital outlay of this nature at \$5.147 billions, 41 per cent above 1955. Gross national product the first quarter was 11.7 per cent higher than in the same period last year, five months exports up 11.6 per cent over a year ago.

#### **Department Store Sales**

ALL-TIME HIGH in sales of department and specialty stores in 1955, a 4 per cent increase over 1954, with the 2.3 per cent profit 0.2 point above the previous year, are reported in the annual survey by the Controllers Congress of the National Retail Dry Goods Association. Largest gains—9 per cent—were made by branch stores. Profit in general from merchandising operations was 3 per cent of sales, compared with 2.7 the year earlier.

Erneita. Povelstad

# Three-Way Responsibility Called Key To Profit in Production of Turkeys

S UCCESSFUL operation in the turkey production field calls for a three-way defining of responsibilities: the feed or produce company should sell feed, the banker should sell money, and the grower should be able to prove by financial statement that if he has to take a substantial loss in one year he "could still pay the debt over a reasonable period," in the opinion of P. R. Kenefick, president, National Citizens Bank, Mankato, Minn.

Mr. Kenefick was one of the executives who addressed the 15th semi-annual Feeder Credit Finance Conference at Brainerd, Minn., in connection with the annual North Central Credit Conference. The Feeder Group was organized eight years ago by the Minneapolis Association of Credit Men.

#### 54 Cents Less per Turkey

Mr. Kenefick's emphasis on sound position of the grower was especially pertinent and important in view of the prediction by Robert Alexander, director of business analysis, Pillsbury Mills, Inc., that producers would realize \$1.82 per turkey this year, a 54 cent decline from last year and only 18 cents above 1954.

"The bank," said Mr. Kenefick, "should not be a partner with the grower," and the latter, because he "assumes full responsibility for the profit, should therefore have sufficient capital to take a loss in event of adverse conditions. The bank should assume only a normal credit risk."

#### Insists on Chattel Mortgage

A sound program, he said, should work out as follows. "The feed dealer or produce company will line up the grower and furnish the bank a financial statement, also a feed application or statement, showing (1) the number of turkeys he expects to raise, (2) how much money he can put into the operation, (3) the amount of coarse grain he has on hand, (4) what financing he is going to need and what this money will buy.

"Assuming the credit statement checks out satisfactorily and we are satisfied the grower meets the quali-

fications, and either has money to pay for the poults in full, or sufficient coarse grain to feed the turkeys, we will approve the credit and set up loan papers."

The bank insists on a chattel mortgage on the poults, takes a chattel mortgage for the full amount to be financed, and gets a chattel abstract showing the bank's lien to be a first lien on the turkeys. Then the bank furnishes the feed dealer with delivery invoices and notes. The latter, when he delivers the feed, can complete a delivery invoice and note, which is also a signed statement by the grower acknowledging receipt of the feed and authorizing the bank to pay the amount to the dealer. The bank has the dealer make inspection reports every 30 days and the bank makes its own inspection at mid-season, and computes whether the feed still needed will come within the loan

Mr. Kenefick reported that on a basis of \$3 to \$3.50 loan per bird, based on a 20-pound flock, his bank "never has taken a loss" under the above program.

#### Record Crop Despite Cautions

Mr. Alexander told the Conference that despite the words of caution from Government and the feed trade alike, turkey producers made huge increases in their 1956 crop, to a record 16 per cent above 1955.

He predicted that "the strong competition between the heavy turkey marketings and the large broiler marketings will temper the late season advances as compared with the normal seasonal price move." The chicken broiler crop of 1.3 million birds, a rise of 21 per cent, was expected to bring the average farm price down to 17 to 18 cents in December.

L. E. Rickert, credit manager, Osborne McMillan Elevator Company, Minneapolis, reviewed "A Distressing Legal Case Resulting from a Feed Loan." Charles Hebenstreit, Ralston Purina Company, Minneapolis, presided at the Conference. Its secretary was Rubert Lindholm, secretary-manager of the Minneapolis Association of Credit Men.

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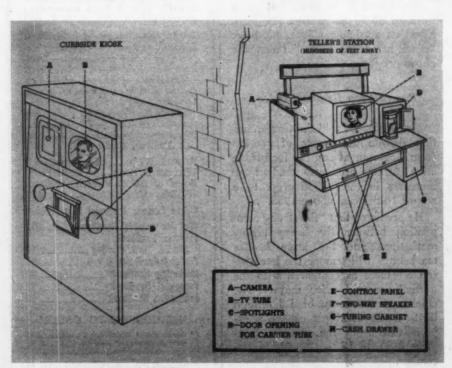
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MEAT PROCESSOR and slaughterer, Sugardale Provision Company, Canton, Ohio, turns to electronic methods for accounting work. The Remington Rand UNIVAC 60 punched-card electronic computer is used for sales analysis, payroll, computing salesmen's commissions, and accounts receivable and payable. Inventory con' of and customer billing are tasks next scheduled to be delegated to the Univac 60 by the company, which employs 550 workers and distributes through 6,000 retail outlets in Ohio within 120-mile radius.

#### Office Paperwork bows to technology's advance



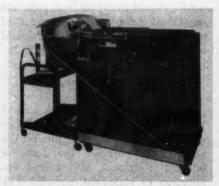
REMOTE-CONTROL BANKING. The Mosler Safe Company's TV "Snorkel" system, installed at Mechanics and Farmers Savings Bank, Bridgeport, Conn., has curbside kiosk, which contains the TV camera, and picture tube at teller's station (right). Pushing a button on the control panel, teller opens door in front of kiosk, which gives access to carrier unit in which deposit is placed. Carrier returns to teller via underground pneumatic tube. Voice communication is by two-way speaker system. Personal touch is maintained despite the distance of more than 100 feet between the participants in the transaction.

#### NATIONAL BUSINESS SHOW

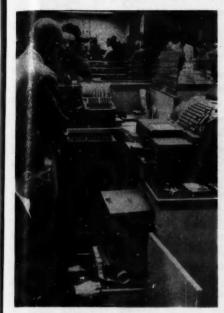
equipment products displayed on the floor or shown in operation in offices of companies in the field.



DESK-SIZE BURROUGHS' electronic digital computer.—Quality is the factor, not quantity, as this "small brain" at United Aircraft Computation Laboratory, East Hartford, Conn., is used to assist a giant brain in the solution of highly complex design problems. The E101 carries out the pilot operation of "debugging", checking the accuracy of instructions to be fed into the giant computer. Ease of operation, size and price make this unit practical for many companies.



IBM CORPORATION'S High-Speed Printers, 719 and 730, provide the rapid output printing required to keep pace with the giant 702 and 705 electronic data processing machines. Both print results at the rate of 1,000 lines a minute. The 719's maximum speed is 60,000 characters a minute; the 730's, 120,000.



PAYDAY-At height of noon hour on payday, customer transactions are speed-ily posted at The Seamen's Bank for Savings, New York City, as a member of the bank's auditing department clears the punched-paper tape from a National Cash Register Company window posting machine. The tape is run off so that coded entries can be recorded on the permanent accounting records of the depositors.



DAYTON STUDENTS on educational trip to Washington and New York watch Erik A. Ohlsson, president of Facit, Inc., demonstrate the features of the Facit 10-key electric calculator.



MICRO-ACCOUNTING, applied to customer billing and posting of receivables, makes the microfilm image part of the company's records, increases accessibility of records for auditing. On cash control, Micro-accounting forms show billhead, check and envelope in microfilm reader. (Burroughs Corporation).



ALWAC Card Converter greatly increases the Alwac III-E computer system's range of applications, which now includes payroll, inventory, production, sales and accounting records. This new card converter automatically translates alphabetically and decimally coded data recorded on cards into binary language understood by the electronic digital computer. The process data can be recorded on cards or tape for storage. Both computer and card converter are manufactured by Logistics Research, Inc.

# **Guides to Improved Executive Operation**

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BONDED DEFENSE AGAINST THE CHECK FORGER—A 15-page book-let explains ways to lessen the chance of becoming a victim of a forger. Write to the Surety Association of America, 60 John St., New York 38, N. Y. Single copy free.

The 178-page 1956 "Study of Industrial Retirement Plans," sixth of a series begun in 1944 by Bankers Trust, covers large and small companies and includes 4-million employees, or one-third of all employees currently covered by pension plans. A number of charts is included. The volume is being made available to executives by Bankers Trust Company, 16 Wall St., New York, N. Y.

How a Banker Evaluates a Credit Risk, 7-page reprint of an address by Milton J. Drake, vice president, The Detroit (Mich.) Bank, discusses objective, subjective elements entering into the banker's judgment, emphasizes the difference in scope between credit analysis and statement analysis. Write to Robert Morris Associates, 1417 Sansom Street, Philadelphia 2, Pa.

Informative reports, pamphlets, circulars, etc., which may be of interest to you. Please write directly to the publisher for them. CREDIT AND FINANCIAL MANAGEMENT does not have copies available.

To expedite receiving booklets described below in this column, address all inquiries concerning Efficiency Tips to CREDIT AND FINANCIAL MANAGEMENT, 229 Fourth Ave., New York 3, N. Y.

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556—"Quiet at Work," a 16-page booklet of Armstrong Cork Company, outlines advantages of different types of acoustical materials for commercial and institutional use. Profusely illustrated with actual installations.

557—How Rotor-File rotary filing units installed in a bank consumer credit department resulted in improved operations and labor saving is described in 8-page illustrated booklet No. 177 of Wassell Organization, Inc. Write us for copy.

558—For companies with problems of maintaining lists, the Acme Visible photopanel-Xerography combination should be worth investigating. A 4-page brochure of The Haloid Company describes use of xerography in preparation and maintenance of visible lists, indexes.

559—"Accounts Receivable with Remington Rand Punched Card Methods," 6-page folder tells how companies can set up punched-card procedures for handling of accounts.

560—Newest postage meters for large and small offices, together with allied units such as folding machines, scales, mail openers, collators and imprinters are discussed in brochure of Pitney-Bowes, Inc., "How to Mail a Letter in Five Easy Lessons."

#### **BOOK REVIEWS**

Business Practices, Trade Position, and Competition—By Oswald Knauth. \$3.00. Columbia University Press, 2960 Broadway, New York 27, N.Y.

• A stimulating book showing how the present economy has developed spontaneously. After setting forth the effects experienced in practical operation of business by the advent of mass production and large corporations, the author proposes a theory to fit the working of the economy today, and defines the roles of marketing, investments, etc. An important book for both the economist and the practicing businessman.

ESTIMATING CONSTRUCTION COSTS by R. L. Peurifoy. \$8.50. McGraw-Hill Book Co., Inc., 330 West 42nd St., New York 36, N.Y.

• Presents fundamental knowledge of estimating the cost of projects to be constructed, with the many variations in costs and quantities of materials, equipment, and labor, from one locality to another, and a complete checklist of operations necessary in preparing an estimate.

EXECUTIVES: MAKING THEM CLICK

—By Joseph Dean Edwards. \$4.00.

University Books, Inc., 404 Fourth

Ave., New York 16, N.Y.

• Here is an unusual and well conceived primer for top management and a handbook of career guideposts for ambitious junior executives, proving that good executives are not mass-produced but custom-built. The writer suggests a sensible program for developing executives, with rare practicality and directness, and analyzes reasons for success or failure.

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(More Reviews on Page 30)

Books reviewed or mentioned in this column are not available from CREDIT AND FINANCIAL MANAGEMENT unless so indicated. Please order from your bookstore or direct from the publisher.



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#### Legal Rulings and Opinions

#### Fair Trade Slipping?

FAIR TRADE is experiencing some rough sledding. Not all of the latest court decisions have been negative, but the overall picture shows that the high courts of nine states have turned thumbs down. Thirty-six states now have Fair Trade laws, a considerable subtraction.

Now comes the first instance of a Federal Court declaring unconstitutional the McGuire Act under which in a state non-signers of agreements with manufacturers are bound by a state's Fair Trade Act provisions. A Federal judge in Kentucky, declaring that Congress can delegate its legislative authority only if it sets up standards for exercise of that authority, has ruled that no such standards exist under the McGuire Act (Sunbeam Corp., USDC, W.D.Ky. 7-16-56).

#### Two Supreme Court Blows

In Colorado the state supreme court held the "non-signers clause" of the state act unconstitutional shortly after a district judge upheld it. The state supreme court, in an unanimous opinion written by Justice Francis J. Knauss, affirmed a decision by Judge R. H. McWilliams, Jr., Denver district court, in Olin Mathieson Chemical Corp. vs. Phil I. Francis, trading as Associated Consumers.

Earlier, District Court Judge Donald A. Carpenter at Greeley, Colo., had upheld a ruling in favor of Parker Pen Company in Colorado district court in Weld county following complaint filed by Parker Pen against several jewelry firms, defendants including Kortz-Lee Jewelry Co. and Marvin Zale.

Judge Carpenter declared:

"Once the retailer who resorts to bait' and 'leader' practices has acquired a stock of products such as plaintiff's, free of inhibition of any contract, he is in a position to exploit the trademarks, brands and names, which he does not own, for his own benefit and without restraint except for the intervention of the equitable remedy provided by Section 4 of the Fair Trade Acts."

The Utah supreme court held that

state's Fair Trade Law invalid, in General Electric Company's appeal from the third district court ruling in its suit against Thrifty Sales, Inc.

#### Upheld in Three States

In three other decisions—New Mexico, Maryland, Pennsylvania the fair Trade laws have been upheld.

In New Mexico, Judge Robert W. Reidy, district court, ruled in favor of the state law. Skaggs Drug Center had sued in answer to earlier suits filed against it by General Electric and Miles Laboratories on charges of underselling and in protection of brand names from "cutthroat price cutting."

In Maryland the court of appeals reaffirmed constitutionality in the appeal of Home Utilities Co., Inc., of Baltimore and Hagerstown, from a lower court order granting an injunction to Revere Copper and Brass Co.

Governor George M. Leader of Pennsylvania vetoed a bill containing a clause which would have made it a "complete defense" for any retailer violating a manufacturer's minimum Fair Trade prices to prove that the manufacturer had failed after seven days written notice to take "reasonably effective steps" to halt violations by the defendant retailer's competitors.

#### Delay in Disability Suit

An insurer in a separate defense pleaded that the insured, totally and permanently disabled, had forfeited any cause for action by waiting almost five years before bringing suit after the insurer had refused to pay any benefits on his filing of proofs of loss. The insured carried two policies providing for disability payments.

The insurer's plea was rejected in New York supreme court. The court pointed out that "it is a general rule that an action at law may be commenced at any time before it is barred by the expiration of the applicable period of limitation . . . The plaintiff had made his position known to the defendant when he filed his proofs of permanent and total disability, which the defendant rejected. The defendant was then at liberty to investigate and

to demand from the plaintiff any evidence to which, under the terms of the policies, it was entitled . . . If it chose to do nothing more, it has only itself to blame." (Brenner v. Mutual Life Insurance Company of New York, 146 N.Y.S.2d 58.)

#### **Homestead Exemption**

The amended Section 1260 of the California Civil Code cannot be given retroactive effect on debts created before the amendment and so a debtor whose debt falls into that category cannot object to the increased exemption, the court ruled in Niels E. Larsen, Bankrupt, in Bankruptcy No. 64, 182-WM; Referee, D. B. Head.

The trustee had set aside a homestead exemption on the amount of \$7,500 but refused to set aside the amount of \$12,500 as provided in the amendment.

#### Warehouse Receipt Ruling

A Louisiana court of appeals held that a warehouse was not responsible for damages resulting from a fraud in which the perpetrator subsequently was sent to prison.

The pledgee, a finance company, sent to the warehouse some packages supposed to contain shrimp but later found to contain only water. The finance company holding the warehouse receipt tried to hold the warehouse responsible. The goods delivered to the warehouse were described merely by a statement of the marks borne on the packages. The warehouse based its case on a section of the Uniform Warehouse Receipt Act. ( . . . Finance Company of Louisiana v. Riverside Warehouses, 85 So. 2nd 68 (1956).

#### **Full Rights to Part Timers**

Seasonal workers have the same rights to full benefits under workmen's compensation as do full-time employees, the Mississippi supreme court ruled. The widow of a fire spotter employed seasonally by the state forestry commission claimed full compensation when the husband died of a heart attack aggravated of climbing a 100-ft fire tower. The county circuit court had cut the payments in half.

Said Justice W. N. Ethridge, Jr.: "We do not think the legislature intended that seasonal workers be dealt with differently from any other workers."

#### ON THE

#### Personal Side

WALTER M. SHARP has been promoted to vice president, Bank of America, Los Angeles, from assistant vice president. An alumnus of the NACM Graduate School of Credit and Financial Management, Dartmouth, which he attended under a Bank of America-Giannini Foundation Award, Mr. Sharp began with the bank in 1938 as clearing house clerk. He advanced to headquarters officer in 12 years, becoming assistant cashier in 1950, assistant vice president in 1953. He is president of the Los Angeles bank credit men's association.

WALTER E. JULIUS has been named president of the Federal Home Loan Bank of Cincinnati. He assumes office January 1st, succeeding Walter D. Shultz, retiring after 21 years as president. Mr. Julius for the last 23 years has been vice president of the bank, one of the eleven district banks of the Federal Home Loan Bank System.

ROBERT L. HOWARD has been appointed financial vice president and controller, Logan Company, Louis-



G. L. TODD



H. W. SIEFERT



W. V. CLARK

ville. He began in 1948 as a salesman, following earlier employment as an accountant, and advanced successively to office accountant, chief accountant, office manager and, in 1951, controller. Mr. Logan is a past president of the Louisville Credit Men's Association and the National Office Management Association, treasurer of Junior Achievement Association and a director of the Controller Institute.

FRANK E. BEANE has been appointed vice president and controller, Underwood Corporation, New York. He formerly was assistant to the president of General Chemical Division, Allied Chemical and Dve Corporation, and served as consultant to Bache and Company. He also has been president of Equitable Bearing Company and a partner in Fenner and Beane.

GEORGE L. TODD, president of The Todd Company, Rochester, N. Y., has been named a director of Burroughs Corporation, Detroit. The Todd Company is a wholly owned subsidiary of Burroughs.

WALTER A. BEBENEK has been appointed coordinator, bank automation, in the sales department of The Todd Company at Rochester. He previously was bank sales manager in the Pittsburgh area for Burroughs Corporation. He is a graduate of the American Institute of Banking.

HARRY W. SIEFERT has become assistant treasurer of Alan Wood Steel Company, Conshohocken, Pa. Prior to joining the steel company he was vice president and treasurer of Eastern Mortgage Service Company and its affiliated companies. Earlier he was controller, Lehigh Coal & Navigation Company, and in public accountancy practice.

WAID V. CLARK, secretary-controller of Thew Shovel Company.



W. M. SHARP



R. L. HOWARD



W. F. JULIUS



F. E. BEANE

Lorain, Ohio, has additionally been appointed treasurer. Mr. Clark, a member of the Ohio Bar, began with Thew in 1944 as controller.

KENNETH R. Dow has been named regional credit manager, Crane Company, Columbus, Ohio.

E. Ewing Carrico, head of the Carpenter & Burba insurance agency, Louisville, Ky., has been elected to the board of the Stock Yards Bank

L. T. McIntyre, formerly of Dallas, has been appointed treasurer, Texas Pacific-Missouri Pacific Terminal Railroad, New Orleans.

W. P. GARRETT, JR. has been advanced to assistant secretary-treasurer, Emerson Radio of Texas, Inc., Dallas. He continues his responsibilities as supervisor of credit department activity.

Recent promotions at American Home Foods, New York, a subsidiary of American Home Products Corporation, are: CHARLES H. THOMAS, from treasurer to staff vice president; WILLIAM D. PRATT from controller to treasurer, and STANLEY J. KOMADA, from assistant controller to controller.

HAYDN R. JONES has been named controller, Eclipse-Pioneer division of Bendix Aviation Corporation, Teterboro, N. J., to succeed W. G. Majeske, retired. With Bendix corporation since 1934, Mr. Jones has been corporation assistant treasurer and manager of all audit activities since 1944.

FRANK J. KELLY has become vice president and credit manager of Crompton-Richmond Company, Inc., New York City. He was for 25 years with James Talcott, Inc., and was vice president in 1954 when he resigned to go with Amwool Financial Corporation as executive vice president.

WILLIAM ZINCHUK, who joined The Soun IScriber Corporation, New Haven, last year, has been appointed credit manager. He is a graduate of Hillyer College and also attended Johns Hopkins University, University of Southern California and the University of Maryland. .

D. M. Forsyth has been appointed controller and general manager, Wm. G. Pittman Company, Inc., Hackensack, N. J. He was for 13 years credit manager of The Federal Glass Company and its subsidiary, Hercules Box Company, in Columbus, Ohio. He is a past secretary and vice president of the Columbus Credit Association. Mr. Forsyth was educated at Ohio Wesleyan and Ohio State universities.

J. H. MURPHY has been advanced to assistant treasurer in charge of credits of Universal Mills, Fort Worth.

MRS. E. T. PHILLIPS, since 1954 credit manager of The Swartwout Company, Cleveland, has been promoted to assistant secretary. Mrs. Phillips began in 1949 as secretary to the New York district sales manager, advancing to sales engineer, then district office manager, before transfer to Cleveland as credit correspondent in 1953. She is a member of the Cleveland Credit Women's Club.

WILLIAM J. BARRY, ROBERT M. STEINBERG and DANIEL WOLLMAN have been elected assistant vice presidents, Congress Factors Corporation, New York. At the same time ALBERT ROSENBERG, controller, was additionally made assistant treasurer of the company.

THOMAS J. WATSON, JR. has been named chief executive officer, International Business Machines Corporation. He retains the office of president of IBM, which he has held since January 1952. Thomas J. Watson, Sr., who was board chairman, died in mid-June.

New appointments at Highway Trailer Company, Edgerton, Wis., are WILLIAM J. MESLER as vice president-credit and Curtis N. CHRISTY as treasurer. Highway Trailer operates as a division of the equipment department of Merritt-Chapman & Scott Corporation. Mr. Mesler joined the company in 1949 as credit manager and has served as assistant secretary since March 1955. Prior associations were as vice president of Coin Machine Acceptance Corporation, and with L. H. Rosoff & Company and American Business Credit Corporation.

Mr. Christy had a background of more than 20 years in industrial accounting and finance before joining Highway Trailer in 1950 as supervisor of industrial accounting and budget director.











F. J. KELLY



D. M. FORSYTH



WILLIAM ZINCHUK



R. C. SMITH



C. F. BENBOW

CHARLES FRANK BENBOW has been promoted to assistant secretary of R. J. Reynolds Tobacco Company, Winston-Salem, N. C. His entire service since joining the Reynolds company in 1947 has been in the secretary's department. He began as credit correspondent and was made assistant credit manager in 1948. Mr. Renbow holds the B.S. of the University of North Carolina and the Executive Award of the NACM Graduate School of Credit and Financial Management, Dartmouth, 1954. He also has done graduate work in law.

Donovan H. Tyson has become a vice president of Allen B. Du Mont Laboratories, Inc., Clifton, N. J. He continues his duties as controller.

EARL J. DUNCAN, formerly assistant treasurer, has been advanced to vice-treasurer of Holyoke Savings Bank, Holyoke, Mass.

VERE L. HUNT has joined the Carrier Corporation, Syracuse, N. Y., as credit manager. He has been assistant treasurer and secretary of Prosperity Company, and prior to 1941 was with Bankers Trust Company of New York.

ROBERT C. SMITH has been advanced from assistant treasurer to treasurer of Chase Brass & Copper Company, Waterbury, Conn., a subsidiary of Kennecott Copper Corporation. He succeeds John H. Gilbert, retired. Mr. Smith's career began in 1928 as cost accountant with Mueller Brass Company, Port Huron, Mich. He went with Chase in 1933 as head timekeeper at the Waterbury Manufacturing Company division, advancing progressively to assistant treasurer of Chase in 1937. He holds the B.S. of Bradley University (1928), the M.B.S. of Harvard Business School (1933).

RALPH W. BRUNDICK has been advanced to controller, National of Hartford Group of Insurance Companies, Hartford, Conn., from controller of the western department at Chicago.

ALEXANDER MACGILLIVRAY, director of finance for the past year, has become vice president - finance, Hughes Aircraft Company, Culver City, Calif.

# Modernizing the Office

#### New Equipment to Speed Production and Reduce Costs

#### New Accounting Machine



333 A choice of three simplified methods for posting accounts receivable is provided by the UNDERWOOD SUNDSTRAND Composite Model E accounting machine. The unit can be set to provide either an original ledger and original statement with proof tape; a collated statement and ledger with proof tape; or a collated statement and ledger with journal distribution. The Model E has been designed for the small and medium size business and may be applied to several accounting functions. A high speed 10-key keyboard, direct subtraction, automatic balances and totals, adjustable rear lateral form guides are other features.

#### **Business Literature Racks**

334 For easy reference and orderly, attractive arrangements of catalogs, trade journals, folders and other business literature, the aluminum BIZ RAKS feature pockets of graduated depth for all sizes of publications. Wall, floor and table models are



available in several sizes; also interchangeable wall and floor models. A companion line is available for standardized folders. Built and sold by The Rak Makers, the stands are of special hard aluminum alloy extrusions, anodized for permanence and beauty, with back panels of matching plastic-coated Masonite.

#### Single-Cycle Mimeograph

335 Introduced at the National Business Show, the Model 436 electric mimeograph of A. B. DICK COMPANY embodies a unique single-cycle electronic feature especially useful in duplicating sets of business records which vary in size, and other sys-



tems work. On the new Model 436, one press of a foot switch activates an electronic device which permits the cylinder of the machine to turn exactly one revolution; the cylinder stops in the proper position to feed the next sheet of paper correctly. Single cycling facilitates hand feeding and assures exact registration. Paper guide rails, dial setting of adjustments, easy blockout of copy are other features.

This Department will welcome opportunities to serve you by contacting manufacturers or wholesalers for further information regarding products described herein. Address MODERNIZING, Credit & Financial Management, 229 Fourth Ave., New York 3.

#### Ribbon Replaces Carbon



336 A typewriter attachment that eliminates the need for carbon paper in making up to five duplicate copies of letters or other documents, the COPITYPER fits any standard machine including electric models, says the manufacturer, Ribbon Copies Sales Corporation of America. The device is attached to typewriter with a single bolt.

#### **Executive Posture Chair**

337 The M-9000 steel Executive Posture Chair of MILWAUKEE METAL FURNITURE COMPANY is individually adjustable and is available in upholstery and finish to harmonize with every possible office décor. One of the Metal-Lux line, the chair may be had in any of 13 shades of Naugahyde or any of 30 shades of either top grain or deep buff leather, also in a variety of combinations. In addition to standard green, gray and brown finishes, manufacturer states it will match the finish of any desk at no additional charge.



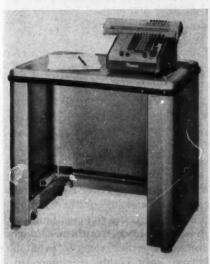
#### Phone Holder-Amplifier



338 Merely placing the telephone handset on the TEL-O-MASTER transistorized amplifier unit automatically puts the unit in operation, leaving the user's hands free for notetaking or reference to data. Incoming conversation is amplified to a normal conversational tone; return conversation is automatically directed into the telephone handset. Tel-O-Master also is practical for on-the-spot conferences, since all present can listen to incoming call and participate in conversation. Volume control is adjustable. No connections to telephone or electrical systems are required; power is provided by miniature batteries. Size of unit approx. 3"x3"x10"; weight 2 lbs. Product of Fisher Research Laboratory. Inc.

#### Desklike Machine Stand

339 A new type of office machine stand, the Consolett, is built to safely support costly equipment weighing hundreds of pounds without danger of tipover, yet is easily moved to any location. Measuring 28" wide, 19" deep and 26½" high, the stand accommodates both machine and working copy at correct



height, assures the comfort of a desk. An out-of-the-way foot bar inside the stand engages or retracts the four rubber casters, providing instant mobility or firm anchorage, as desired. A hook is mounted inside the stand to hold a girl's purse. The all-welded unit is manufactured by Stolper Steel Products Corporation.

#### Mechanized File Unit

340 For mass card systems the FILEVATOR unit of LeFebure Corporation offers significant spacesaving, plus speed and operator comfort. The mechanized filing unit, only 48" wide, is designed to allow the operator to perform all manual and visual operations from one comfortable, seated position. Pushbutton selection and automatic tray positioning (average 2½ seconds) make every card quickly accessible. Based on normal index-



ing, the Filevator will accommodate approximately 250,000 3"x2½" MIB cards; 127,000 3"x5" cards; 85,000 tabulating cards, or 60,000 5"x8" cards. Standard models include 110 volt AC motorization, trays with dividers, work shelf, locker compartment and choice of swivel posting arm. Standard and special size trays.

This Department will welcome opportunities to serve you by contacting manufacturers or wholesalers for further information regarding products described herein. Address MODERNIZING, Credit & Financial Management, 229 Fourth Ave., New York 3.

#### Larger File Caddy



341 A new and larger File Caddy, to accommodate portable filing of legal-size papers and documents, is the Model 417 of AMBERG FILE & INDEX COMPANY. Overall height of the unit is 26½". Large casters permit easy rollability. Of Hammerloid enamel steel with sliding top and protective lock, the File Caddy comes complete with 25 folders of the metal tab suspension type.

#### "Telephone" Dictating

342 The PhonAudograph equipment of Gray Manufacturing Company applies the telephone-network principle to dictating, opening the way to lowered correspondence costs and speedier communications. A transcribing unit serves one or more dictators through telephone-like handsets. The user has complete remote control of the transcriber through pushbuttons on the handset. The number of dictators per unit is based on volume of normal correspondence and averages compiled a Gray engineers. Under its new dictation planning service, Gray engineers will prepare a plan tailored to in the plan is available.



1956

# Unfettered Credit Called Necessary For Wider Distribution of Products

Unharnessed and uncontrolled credit is essential in the highly competitive economy of today, in order



C G MCKELLA

to effect "wider distribution of the productivity of our ever-expanding factories," says C. G. McKellar, secretary-treasurer of the Medaris Company, Inc., of Dallas.

To administer such credit Mr. Mc-Kellar sets up for personnel a top level group of qualifications as requisite, to satisfy his definition of the profession as a "process of knowing better how to use better tools," working through education. The credit executive, he says, is neither born nor made but is a "mixture of inheritance and training in certain proportions."

The credit man who meets the test must be one of "studious, searching disposition, who wants to know why a certain thing happened; one with judicial temperament, with ability to reach safe conclusions from statements of facts, ability to evaluate the familiar C's of Credit; one with knowledge of men, able to understand their motives and those which control and direct their business actions; one with thoroughness and concentration; one who will step by step work things out."

"Your profession," he points out, "needs those who possess imagination and sense of humor, for with imagination we see ourselves as we would like to be, and that takes humor. The professional credit man should be one who likes people and should want to serve them, for the greater the service the greater the reward. He should be one with an even keel, a sense of balance with fairness and firmness."

Declaring there is no more thorough training ground in the fundamentals of business than the channels of professional credit management, Mr. McKellar points out that this profession requires more training because of the increased complexity of business.

Addressing members of the Dallas Wholesale Credit Managers Club, the speaker declared that "sound credit and its application must be in evidence when we consider the strength of our country and the soundness of our resources." But he added this caution: "Let us be certain we have skillful credit facilities in the hands of those in high office."

#### BOOKS

BEGUN ON P. 24

CAN PROSPERITY BE SUSTAINED?— By Neil H. Jacoby. 152 pages. \$3.00: Henry Holt & Co., 383 Madison Ave., New York 17.

• Advocating a high-incentive economy, in which government actively supports the expansion of private enterprise, the University of California educator and member of the President's Council of Economic Advisers predicates his discussion on the argument that "regulation of the money supply is now seen as the best means for steadying economic growth."

Of the tax structure Mr. Jacoby says that for one thing the economy needs "drastic reduction in present taxes on business," for "when competition is tough . . . high taxes on profits do put a halter on economic growth."

Personal Finance — By Elvin F. Donaldson. \$6.00. The Ronald Press Company, 15 East 26th St., New York 10, N. Y.

• Its easy-reading, non-technical style, with latest facts, figures, tables and charts, combining real-life case problems, presents a wide scope of practical instruction in budgeting, saving, borrowing, credit buying, personal, medical and automobile insurance, and Social Security, and acquaints the reader with the nature of investments and security analysis, wills and trusts, taxes and home buying and financing, with chapters on real estate and the law. Provides a working knowledge of economic and business fundamentals.

E DUCATION for professional advancement should be a "must" of all credit men, in the opinion of C. G. McKellar, treasurer and secretary of Medaris Company, Inc., of Dallas, who entered the credit field in 1924.

Mr. McKellar, past president of the Dallas Wholesale Credit Managers Association, received the Fellow Award of the National Institute of Credit in 1948. He had attended Baylor University and started credit work with Folger Coffee Company.

A SYMPOSIUM ON SALES TAXATION— Vol. 9, No. 2 of the Vanderbilt Law Review. 304 pages. \$2.00. Vanderbilt Law Review, Vanderbilt University, Nashville 5, Tenn.

• Here is an exhaustive study of sales and use taxation, last year comprising 23 per cent of state tax collections. Discussed in the many articles are the nature and structure of sales taxation, the factors of interstate commerce, Federal governmental immunity, definition and measurement of the sales tax, administration and collection problems, analysis of exemptions and the relationship of the use tax to the sales tax.

Successful Executive Action—By Edward Schley. \$10.00. Prentice-Hall, Inc., 70 Fifth Ave., New York, N. Y.

• Suggests top management methods, administrative controls and points the way to creative development. Among other features it shows a unique-results approach on how to break through inertia and get action. At the conclusion of each chapter is given a checklist to evaluate your own company, its methods and procedures.

COMMON SENSE IN LETTER WRITING
—By William H. Butterfield. \$2.25.
The Interstate Publishing Co., 19
N. Jackson St., Danville, Ill.

• Useful to beginner or expert correspondent. Its easy-to-read style and frequent touches of humor make it entertaining as well as informative. A practical guide to better results by correspondence. It analyzes sound techniques and suggests how to apply them. It illustrates common faults and shows how to correct them. Outlined are six important steps to profitable letters. Very highly recommended.

ANALYZE HANDWRJING

STOP CREDIT LOSSES
Credit executives use grapho analysis to cut down credit losses. Charles Martin, District Credit Manager for International Harvester, has used grapho analysis for years. Mr. Matheson, lumber company executive, selects his help by analyzing handwriting. Free lesson, full details sent without obligation. State Pour age on personal or company letterhead. All replies personal. 1645, inc., Dept. 619, 2307 Matienal Sta., Springfield, Mo.

# Miami Beach Goes All-Out in Attractions Offered Credit Congress Delegates in May

HE welcome of a city dedicated to entertaining visitors is awaiting the 3,000 or more expected to attend the 61st Annual Credit Congress in Miami Beach May 12th to 16th.

Credit Congresses traditionally are settings for serious concentration on the business of credit and on credit in business, from plenary sessions to Industry Group meetings. Furthermore, extra importance attaches to attendance at this convention, with the ever-sharpening competition and the inflationary pressures.

Nevertheless, the Credit Congress program does leave the evenings open to divertissement and to the attractions of the convention city and environs, as it does part of Sunday and all Wednesday afternoon, when there is no plenary session. In addition, for the wives and families of delegates, Industry Group Day (Tuesday) is an all-out invitation to the many allurements Miami Beach has to offer.

Bring your family, by all means! Rarely does a convention city offer



PICTURESQUE WATERWAYS vie with the ocean for the attentions of visitors to Miami Beach. The arcshaped structure in the near-foreground is the Fontainebleau hotel, convention headquarters of the National Association of Credit Men at the 61st annual Credit Congress May 12-16 next year.

so much for them. Midsummer garb of the northern states is just right for Miami Beach in May, when daily temperatures average 78.4 degrees. And the dress shops of the resort city naturally are stocked with merchandise of latest styling.

For the men anglers, and women, several varieties of game fishing are running in May. In the Gulf Stream are the sailfish, white marlin and dolphin, not to forget the billfish. Trolling is in order, with heavy tackle furnished by the skipper of the cruiser chartered by delegate pools. When schools of small dolphin and bonito are encountered, light tackle and casting come into play.

In the bay waters, which are negotiated in small boats with outdoor motors, there are bonefish, snook, channel bass and sea trout.

#### Many Tour Diversions

For the entire family are the many sightseeing trips to the mainland, reached in a matter of minutes and replete with tropical trees and plants—the coconut and royal palm, the mango, the hibiscus.

An hour away is Everglades National Park, with its thousands of acres of tidal lands, hundreds of salt creeks winding past the mangroves and buttonwoods. Traces of the canals and dikes of the Indians of hundreds of years ago are to be seen. In the park the mecca of sightseers is the island ("hammock" is the local word) of Paradise Key, with its species of native orchids, its animal life, its herons, egrets and ibis—and alligators.

Another free attraction is the Fairchild Tropical Garden, with its extensive collection of palms, shrubs and vine.

#### Commercial Attractions

Among commercial enterprises is the Seaquarium, housing a large number of sub-tropical fish, viewed through glass ports. The parrot Jungle offers a bird show and land-scaped gardens. In the Monkey Jungle, visitors follow wire-covered walks in a natural jungle. At a Serpentarium, delegates may see the extraction of venom from cobras.

# Post-Convention Tour to Havana

A post-convention tour to Havana, Cuba, is being arranged to follow the 61st Annual Credit Congress May 12-16 at Miami Beach. The four days, three nights tour will originate and terminate at Miami. It includes transfer from the delegate's hotel in Miami Beach to Miami International Airport, air passage to Havana, twin-bed room at the Sevilla-Biltmore hotel, city and suburbs sightseeing tour, country tour with luncheon at Rancho Luna, nightclub tour with dinner at the Tropicana, and return flight to Miami.

The price of the tour is \$83.50 per person double occupancy and \$89.50 per single occupancy. Gratuities are not included. A Cuban landing tax of \$2.50 must be paid by each individual on arrival at Havana Airport.

Send reservation with deposit of \$10.00 per person to Sevilla-Biltmore Sales Office, 7450 Ocean Terrace, Miami Beach, Fla., or to the authorized travel representative, Mr. Harold Binder, Wylly's Tours, Inc., 2921 Collins Avenue, Miami Beach, Fla.

There's also an Orchid Jungle to visit, besides Seminole Indian villages.

Sightseeing may also be had by boat—tours through Miami Beach's inland waterways past homes with their docked cruisers. Both daytime and moonlight cruises take the visitors across Biscayne Bay and over colorful reefs viewed through glass-bottom boats.

No section of Miami Beach is more than a few blocks from either the Atlantic ocean or Biscayne Bay. Among the 378 hotels are the oceanfront resort centers, with their pastel-tinted walls, that line Collins Avenue. Outside are the cabana colonies, with dressing rooms, lounging terraces and palm-shaded swimming pools, a step or two from the ocean sands.

# Business Faces Problems, But Trend Is Up, Moran Declares at Rochester

Business is facing big problems that do not lend themselves to easy solution, but the general trend over

J. J. FITZPATRICK

Moran, vice president, National Association of Credit Men, told the Tri-State Con-



the six to nine

months ahead is

obviously going

to continue at a

high and rising

F. E. HOLLE

ference, which brought to Rochester, N. Y., credit and financial executives of New York, New Jersey, Maryland and eastern Pennsylvania.

"Retail trade, always a good index, is booming," Mr. Moran said. "A satisfactory retail volume means general activity all along the economic line. It shows the psychology of the people and has a good influence on business conditions generally.

"On employment, let's look at the 67 million people working, and not the two million idle, many of whom wouldn't accept a job if it were offered.

"Wages are higher than ever before, even in relation to high prices."

Mr. Moran noted that the long downward march of prices for farm products had been halted, and that the prices for farm land are on the rise.

"Business everywhere is looking for expansion money or credit. Herein is the challenge to every credit and financial executive. This challenge is to expedite the turnover of the company's working capital, in order that maximum sales volume and profit may be attained."

#### Sound Merchandising Urged

Advising credit men to "keep a close watch on the use of consumer credit by their retail accounts," particularly within a tight money market, Norman A. Jackson, of Chester H. Roth & Company, New York City, said the tremendous expansion of consumer credit, although stimulating volume, "could result in serious

problems for the retailer." Not restriction of credit but greater attention to sound merchandising and financial practices was urged by Mr. Jackson, who addressed the wearing apparel industry session.

Predicting continued high level activity for the next few months, with some downward movement in 1957, G. Alfred Sproat, senior vice president, Lincoln Rochester Trust Company, Rochester, said he expects "business in 1957 will be not less than 8 per cent nor more than 15 per cent below the 1955-56 levels," while "money will continue tight in the immediate future but should be somewhat easier a year from now."

The theme of the 41st annual meeting, "Today's Challenge to Credit Management," had as general program speakers Dr. Kenneth C. D. Hickman, business consultant, who discussed science and credit, and Charles E. Silberman, associate editor of Fortune magazine, who spoke on "Financing the New Economy." The Rev. Canon Laurence A. Hall was banquet speaker.

#### Testimonial to Briggs

Charles J. Briggs, executive secretary of the Rochester Credit & Financial Management Association, Inc., was presented a bound volume of testimonial letters, in honor of his 25th anniversary with the association.

More than 600 executives attended the sessions. Alan L. Wehrheim, of Michaels, Stern & Company, Rochester, was general chairman of the second-day Industry Groups session. John J. Fitzpatrick, operating manager, Graybar Electric Company, immediate past president of the host association, was general chairman, and Miss Bess Havens, recently retired from First-City National Bank, Binghamton, was recording secretary for the 28th year. Frank E. Holley, controller, Genesee Valley Union Trust Company, is president of the Rochester association.

A flying rumor never has any trouble in making a landing.

-A.M.A. Journal

#### Arthur D. Johnson Is Dead; Managed So. California Unit

Death of Arthur D. Johnson, executive vice president of the Credit Managers Association of Southern Cali-

fornia, after a heart attack at his home in Van Nuys, closed a long life of service to organized credit.

Accession of Mr. Johnson to the association post had followed



A. D. JOHNSON

the death of S. P. (Vane) Chase in Chicago in 1943 en route home from the War Credit Congress in St. Louis in May. The association at that time bore the name Los Angeles Credit Men's Association.

Fellowship between the two credit executives had begun years earlier. Mr. Johnson for many years had been manager of the Los Angeles Wholesalers Board of Trade, serving as the adjustment bureau for the association.

On Feb. 17, 1944 was effected a merger of the credit association and the Board of Trade, which in its 60 years since formation in 1883 had had only seven secretaries, Mr. Johnson the seventh. A credit reporting system had been inaugurated by the Board in the late nineties, followed in 1904 by a Ledger Interchange Division which in 1926 became a joint operation and in April of that year was taken over by the association. On the death of Mr. Chase in 1943 the Board of Trade released its secretary, No. Johnson, to become the association's secretary-manager.

The merger came early in 1944, with Mr. Johnson as executive manager of the combined organization.

#### Toledo Woman Who Invaded Plumbing Industry Is News

Subject of a "Woman at Work" feature column in the Toledo Blade is Miss Dorothy Krieger, secretary-treasurer and assistant general manager of H. D. Bullock Company, who began as stenographer with the Toledo wholesale plumbing and heating supply organization. Besides credit and management responsibilities, Miss Krieger handles sales. At one time Miss Krieger was the only woman among 300 representatives of independent wholesalers to a trade group.

# "Thar's gold in them thar Marginal Accounts!"

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Wise credit executives are digging it up! They use frequent Credit Interchange Reports on marginal accounts. In some cases a calculated risk may be justified—in many instances the risk would be negligible... Many such accounts welcome the advice and help of the Credit Department. A frank and open discussion of the situation can result in further progress and thus increase sales and the customer's good will.

Digging for that gold is well worth the effort!... Ask the Bureau serving your area how Credit Interchange service can aid you in developing marginal accounts. No obligation, of course... If you prefer, write

Credit Interchange Bureaus
NATIONAL ASSOCIATION of CREDIT MEN
1104 Arcade Building . . . ST. LOUIS 1, MO.

# Great Year Ahead Under Sound Credit, Says Heimann, Honored by New York Association

A MERICAN business will go forward to an even higher worldwide standard of living under sound credit—or backward with many gains liquidated if unsound credit policies are adopted—Henry H. Heimann, executive vice president of the National Association of Credit Men, said at a dinner in tribute to his 25 years of leadership of National. The host was the New York Credit & Financial Management Association, with President John B. Schoenfeld of Forstmann, Inc., presiding.

A testimonial award was presented to Mr. Heimann by William Fraser, retired, former treasurer of J. P. Stevens & Co., Inc., and past president of both the National and New York associations.

#### Sees Tax Burden Continuing

Declaring that high cost of government, inflation trend, and distrust among mankind are "three of the major diseases which can gnaw at the body of sound credit," Mr. Heimann predicted that the tax burden will remain onerous for a long time under the prospect of continued high spending by the government.

The economist cautioned that "a bureaucratic government is not consonant with full freedom. Unable to handle its own credit, it decides it has to handle yours. In business you want a successful experience with a consultant before you follow his advice. The government, however, decides it knows best. That is why credit executives should continuously object to unwarranted credit regulations by government."

While credit today is strained, he said, "the visioned credit executive is more interested in the consequence of debt on the general economic picture. If the constant publicity on the tremendous debt throws fear into the mind of the consumer, he may decide that he had better concentrate on paying his debt and do this by reducing his buying. The minute he takes this action business is in for a readjustment."

With prosperity continuing without interruption for the longest period in history, Mr. Heimann asked,



PRESENTING an inscribed silver tray to Henry H. Heimann, executive vice president, National Association of Credit Men, is William Fraser, retired treasurer, J. P. Stevens & Co., Inc., past president, NACM; past president of the New York association, and chairman of the board of trustees of the New York Institute of Credit. Left to right: John B. Schoenfeld, New York association president; Mr. Heimann; Mr. Fraser; Mortimer J. Davis, the host association's executive vice president.

The inscription reads: "Presented to Henry H. Heimann in recognition of 25 years of brilliant leadership as executive vice president of the National Association of Credit Men and his outstanding contribution to the progress of American business. New York Credit & Financial Management Association. November 1, 1956."

"Wouldn't it be natural, therefore, to expect a pause? A breathing spell will make for a sounder economy. It may bring many people to their senses so that they will stop their excesses."

He noted that many lines of industry, for example the textile business and farming, are not sharing the general prosperity. Of the tremendous plant and equipment expansion, "which means a great deal for the future," he cautioned that "every readjustment we have had in the last 50 years has followed a booming plant expansion."

Worldwide population increase, the progress of other peoples toward a better standard of living, with greater production and comparatively higher wages, all point to a long-range future certain to be tremendous, Mr. Heimann declared, but while "we want to help improve the standards of living in the world, we should not do so by pulling down our own standard, the inevitable result if we are to become the dumping ground for products made with cheap labor."

Guests on the dais included: M. J. Davis, executive vice president of the New York association; W. R. Dunn, general credit manager, General Foods Corp.; A. L. Nash, manager, Brown Brothers Harriman & Co.; R. G. Woodbury, vice chairman of the board, Textile Banking Co., Inc.; E. B. Moran, vice president, NACM; J. H. Donovan, assistant treasurer, Jones and Laughlin Steel Corp., Pittsburgh, Eastern Division vice president, NACM; J. L. Carey, executive director, American Institute of Accountants; P. J. Viall, treasurer, Chattanooga Medicine Co., immediate past president, NACM; Irwin Stumborg, assistant treasurer, The Baldwin Piano Co., Cincinnati, NACM president; W. H. Pouch, chairman, Concrete Steel Co., past president, NACM; J. W. Newman, president, Dun & Bradstreet, Inc.; W. E. Walsh, vice president, The Equitable Life Assurance Society of the U. S.; J. L. Wood, assistant treasurer, Johns-Manville Corp.; The Reverend Frank Grebe, minister, The Madison Avenue Presbyterian Church; M. S. Mattuck, Mattuck & Mattuck; W. R. Montgomery, Gerdes, Montgomery & Miller; W. J. Dickson, director of education, NACM, and Barrett R. Tanner, secretary, New York

# Just off the press!

The only book
on commercial law specially
written for credit executives

The 1957 edition of the CREDIT MANUAL of COMMERCIAL LAWS is off the press. In one volume the laws of trade are assembled in layman's language. In one volume the credit executive can find the facts which he needs to protect himself and his company. There is no other book on the market specially written for the credit executive.



The CREDIT MANUAL of COMMERCIAL LAWS takes you through all the legal steps involved in a business transaction. It tells you what you must do and what you must not do from the moment the order is received until the check is cleared. In short, it is a complete resume of the laws which affect a credit executive's work.

You can examine the CREDIT MANUAL of COMMERCIAL LAWS for five days without obligation. A quick perusal will show that this is a book which should be on every credit executive's desk if he is to avoid the legal pitfalls which beset every business transaction.

Send for your copy today and see for yourself. If you decide to keep it the price is \$8.95 to members of the National Association of Credit Men, \$10.00 to others.

Publications Department
National Association of Credit Men

229 Fourth Avenue
New York 3, N. Y.

#### Jack Haigh President and Dean Of Canadian Credit Institute

Jack Haigh, credit manager of Canadian Kodak Co. Ltd., Toronto, has been elected president and Dean



of the Canadian Credit Institute. Mr. Haigh, born and educated in Toronto, has spent his entire business career Canadian with Kodak, entering the credit department in 1938.

After service with the Canadian Navy in the war, he returned in 1946 as assistant credit manager. The appointment as credit manager came two years ago.

Always active in The Canadian Credit Men's Trust Association and the Canadian Credit Institute, Mr. Haigh obtained his M.C.I. degree in 1940. He was the Toronto Chapter's student representative to the National Council of the C.C.I. in 1939, and has been a council member for the chapter ever since. He held various executive positions in the Toronto chapter, culminating in election as president in 1950. The following year he was made national representative for Toronto, a post he has continued to hold. In 1955 he was elected vicepresident of the Canadian Credit Institute.

#### Automation's Effect Discussed At Fond du Lac Conference

Automation's effect on business, unusual aspects of insurance, the credit function in marketing, a banker's viewpoint of credit, these were some of the topics of the intensive one-day Wisconsin-Upper Michigan credit and business conference in Fond du Lac, Wis. Sponsors of the conference included the Central Wisconsin Association of Credit Men, and the Milwaukee Madison and Northern Wisconsin-Michigan associations.

Andre J. Perry, president, First National Bank of Fond du Lac, opened the conference, which heard speaker William E. Rutz, executive vice president, Giddings & Lewis Machine Tool Company, Fond du Lac, discuss automation and its effect on future business, in keeping with the conference theme, "The Forward Look in Business and Credit." Luncheon speaker Congressman William K. Van Pelt projected observations from a congressman's point of view.

Several interesting aspects of the insurance business provided the theme for Harold C. Watson, vice president, Baerwald, Hoffman & Company, Milwaukee, and credit from the banker's viewpoint was the subject of vice president Robert E. Hunt, The Northern Trust Company, Chicago. William J. Dickson, director of education, National Association of Credit Men, discussed "Marketing - The Credit Function." R. K. Schriber, Jr., president, United States Motors Corporation, Oshkosh, had for his theme "The Power to Destroy."

President of the host Central Wisconsin association is Carl A. Biederman of The Oshkosh National Bank. Leo C. Jagdfeld, credit manager, Rueping Leather Company, vice president of the host association, presided at the luncheon. R. C. Creviston is association secretary-manager.

#### J. F. Welsh, NACM Director, Is **Made Company Vice President**

James F. Welsh, secretary of Mc-Cormick & Company, Inc., Baltimore, has been elected vice president and

will continue in the secretaryship of the company, with which he has been associated for 32 years.

Mr. Welsh is a director of the National Association of Credit Men, elected in

1954, and is chairman of the board of governors of the Central Credit Interchange Bureau. He has been a director and past chairman of the National Food Manufacturers Credit Division. In the Baltimore Association of Credit Men he is a past president.

Among his many civic interests he has been especially active in the Red Cross and in the Baltimore Symphony Orchestra Association as its chairman.

A prudent person profits from personal experience, a wise one from the experience of others.

-Dr. Joseph Collins

#### Dr. Allen A. Stockdale Dies; Addressed Cincinnati Congress

Dr. Allen A. Stockdale, 81, staff speaker for the National Association of Manufacturers, died unexpectedly in Baltimore. Dr. Stockdale was known to NACM members as one of the outstanding speakers at the Cincinnati Credit Congress last May.

A native of Zanesville, Ohio, Dr. Stockdale was an ordained minister, whose diversity of interests ranged from baseball to business. His topic at the 60th annual Credit Congress was "The Looks Businessman Ahead."

#### Charles E. Votrian Had Been N.A.C.M. Director 1934-37

Charles E. Votrian, a director of the National Association of Credit Men 1934-37, had made his home at Belleville, Ill., since his retirement from Barnsdall Refining Company, Tulsa, Okla. He had been president of the Tulsa Association of Credit Men and a charter member and organizer of the Petroleum Refiners Group, forerunner of the American Petroleum Credit Association.

#### **Herbert Dorbandt Dies**

Herbert Dorbandt, 49, New York, who died after a brief illness, was for 29 years credit manager of Herz Manufacturing Company. He was one of the founders of the National Paper Industry Credit Group.

#### W. T. McCullough, Pittsburgh

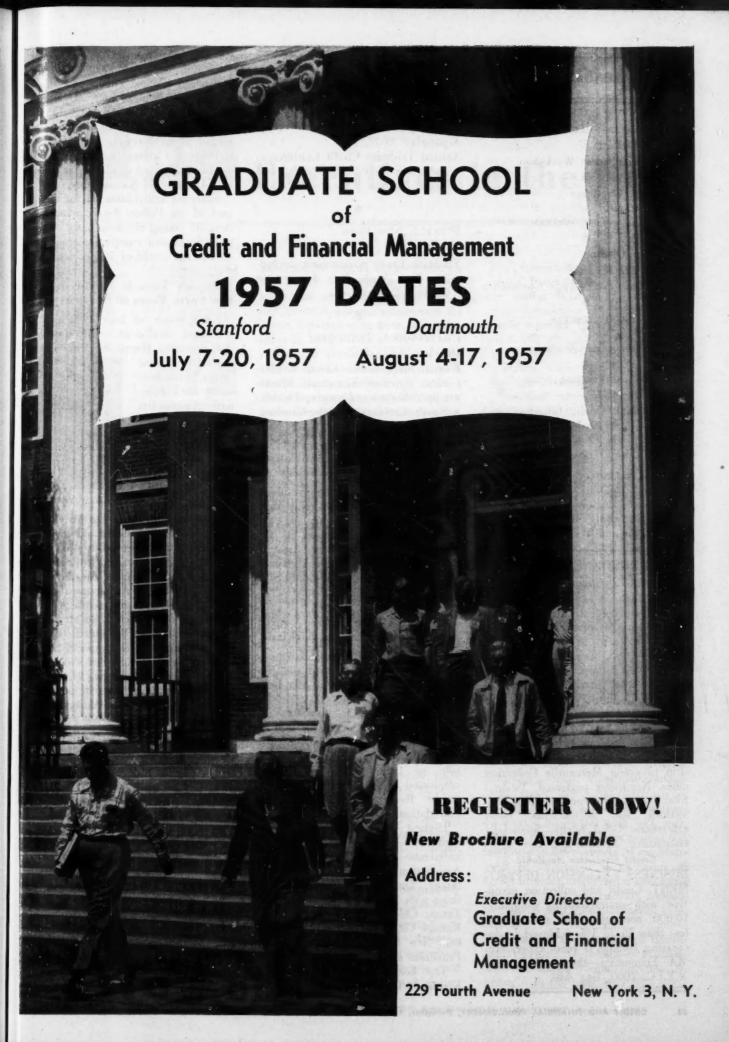
William T. McCullough Jr., secretary-treasurer of the W. T. McCullough Electric Company, Pittsburgh, passed away. He had been a board member and treasurer of The Credit Association of Western Pennsylvania.

#### R. F. McKelvy

R. F. McKelvy, president, North Telephone Company, Pittsburgh Pittsburgh, was chairman of the Public Utility Credit Group of The Credit Association of Western Pennsylvania at the time of his death.

#### James W. Chilton

The death of James W. Chilton removed a credit leader who had been a force for progress in the formative years of the St. Louis Association of Credit Men. He was its president 1914-15, representing the Crane Company. Mr. Chilton was an honored guest at the 60th anniversary observance of the association.



#### CALENDAR OF EVENTS IMPORTANT TO CREDIT

SANTA BARBARA, CALIFORNIA January 24-26, 1957 Credit Management Workshop

DELAVAN, WISCONSIN January 16-18, 1957 Credit Management Workshop

PORTLAND, OREGON March 20-21-22, 1957 Annual Northwest Credit Conference

BOSTON, MASSACHUSETTS March 25-26, 1957 Credit Management Workshop

MIAMI BEACH, FLORIDA May 12-16, 1957 61st Annual Credit Congress and Convention, National Association of Credit Men

CHICAGO, ILLINOIS September 19-20, 1957 Great Lakes Regional Credit Conference, including Illinois, Indiana, Michigan and Wisconsin

#### PERSONNEL MART

Wanted-Credit Manager

IF YOU HAVE the experience and ability to independently handle credit negotiations involving millions of dollars, write us in care of CREDIT AND FINANCIAL MANAGEMENT, giving education, business experience, and personal status. Credit experience in negotiating industrial contracts will be helpful. A national manufacturer of aluminum. Box CFM #438.

Connection or Partnership

WANT CONNECTION or partnership in going Mercantile Collection office. Northwest preferred. Twentyfive years experience-credits, collections and adjustments. Good references. Good health, financially responsible. Middle age. Box 439.

Credit Executive Available

BUSINESS EXTENSION DEPART-MENT. Credit and collection executive with manufacturing company. 10,000 accounts. Bad debt losses less than 1/4 of 1% achieved by increasing volume. 3 years experience. MA Economics—thesis—D&B, also N.Y.I.C. 7000. Box 440.

LINCOLN, NEBRASKA September 25-27, 1957 Annual Tri-State Credit Conference, including Iowa, Nebraska and South Dakota

BUFFALO, NEW YORK October 17-19

Tri-State Credit Conference, including New York, New Jersey and Eastern Pennsylvania

CHATTANOOGA, TENNESSEE October 19-22, 1957

Annual Southeastern Credit Conference, covering Tennessee, Mississippi, Alabama, Georgia, Florida, South Carolina, North Carolina, Louisiana

#### Moran Addresses Convention of National Candy Wholesalers

Edwin B. Moran, vice president, National Association of Credit Men, was a principal speaker at the eleventh annual convention of the National Candy Wholesalers Association in Washington. The NACM representative spoke on "The Credit Side of Selling."

#### 31 Win Institute Fellow Award; Top Honors to George Kirkland

Thirty-one credit men and women from 12 affiliated units of the National Association of Credit Men have

completed requirements for the Fellow Award and Key of the National Institute of Credit, conducted by the Credit Research Foundation, Inc.

Highest repre-



G. R. KIRKLAND

sentation—seven G. R. KIRKLAND recipients—came from the Georgia Association of Credit Men, Inc. (Atlanta). The other associations were those with headquarters at Amarillo, Texas; Chicago, Cincinnati, Denver, Kansas City, Los Angeles, Milwaukee. New Orleans, New York, San Francisco and Seattle.

Top honors went to George R. Kirkland, Union Carbide & Carbon Corporation, transferred in April from Kansas City, Mo., to the executive offices in New York.

Native of Kansas City, Mr. Kirkland attended Kansas City Junior College and Rockhurst College. After service in the Navy he joined Union Carbide & Carbon in 1946, in the credit department of Linde Air Products Division in Kansas City.

Forty-six individuals sat for all or part of the Fellow Award examination, 35 taking all three parts of the test. Successful completion requires an average grade of 70 per cent.

#### Secretary Voss Is Honored For Forty Years of Service

Recognition of four decades of dedicated service to credit association work by Harry W. Voss occa-

sioned a dinner dance in his honor by the Cincinnati Association of Credit Men, of which he is secretary - man ager. At the ceremony, 40 new members, one for each year of his



service, were presented to Mr. Voss.

Representing the National association were Irwin Stumborg, of The Baldwin Piano Company, president NACM, and Edwin B. Moran, vice president, NACM. An album of testimonial letters from members and associates was presented to Mr. Voss by Mr. Moran. C. William Bowman, Kaiser Aluminum & Chemical Sales, was general chairman for the event and William B. Behrens, The Randall Company, president of the Cincinnati association, was toastmaster.

#### Federal Power Policy Called **Giveaway of Taxpayer Money**

More than 80 per cent of salable power from Federal projects is going to favored groups under the so-called preference clause, "deliberately encouraging the growth of local governmental power agencies at the expense of privately owned utilities," says the Guaranty Trust Company of New York in its publication, "Survey."

Prediction is made that eventually all Federally produced power will go to governmental or quasi-governmental customers and power distributors, unless Federal government makes further production expansion.



LEE MILLER



G. R. MORGAN, JR

### **Executives** in the News



W. B. HOSACK



D. S. CLARKE

#### Went from Steel and Banking To Chemical Industry Credits

W. Bruce Hosack, the new president of the Western Massachusetts Association of Credit Executives, Inc., Springfield, has been with Monsanto Chemical Company since 1948. He started with the company at St. Louis and in 1951 was promoted to credit manager of the plastics division in Springfield. Prior to going with Monsanto, he was in the credit departments of United States Steel Corporation, Pittsburgh, and the former Mississippi Valley Trust Company, St. Louis.

A native of Pittsburgh, Mr. Hosack holds the B.S. and B.A. of Washington University, St. Louis. From 1941-45 he served in the South Pacific, achieved the rank of captain, infantry. He is past chairman of the Plastic Material Credit Group.

#### Cleveland Banker-Lawyer Helped Form Ethics Code

When Douglas S. Clarke (Ph.B., Brown U.) was graduated with the M.B.A. from Harvard Graduate School of Business Administration, the year was 1933, when "they were putting bankers in jail or hanging them from the nearest lamppost." After the first New Deal 'gold flurry', he found himself a securities runner and stockboard posting clerk. From jobs as savings bank teller, methods and classification analyst, investment statistician, security analyst, and

after World War II military service, Mr. Clarke joined the estates investment staff of Central National Bank of Cleveland, became manager of the credit department in 1946, vice president in 1952.

Recently elected president of the Cleveland Association of Credit Men, Mr. Clarke is a member of the Ohio Bar, past chairman of the educational committee of the credit association, member of Robert Morris Associates' research committee, serving on the Committee on Cooperation with Mercantile Credit Men which developed the Code of Ethics for Exchange of Information.

#### Grew Up in Gallatin, Name Could Have Inspired Career

What's in a name? G. R. Morgan, Jr., spent his youth in Gallatin (Mo.), name borne by the illustrious secretary of the treasury who organized the first ways and means committee of the new government. A Morgan (J. P.) once made financial history. Names notwithstanding, the newly elected president of the Kansas City Wholesale Credit Association chose a financial career. Mr. Morgan is assistant credit manager of Sheffield Steel Division, Armco Steel Corporation, Kansas City, also instructs in credit management problems and financial statement analysis at Rockhurst College, evening division.

In his free time the former Air Force pilot is Sunday School superintendent, church board member, plays golf, bridge.

#### Cotton Crop and Shoe Shines His Earliest Economic Lesson

As holder of the shoeshine chair concession in the local (Gustine, Texas) barber shop at the age of 10, Lee Miller recalls, "cotton was good that year, and at 10 cents a shine that

was, financially, one of my best years." Recently elected president of the Dallas Wholesale Credit Managers Association, Mr. Miller now is credit manager of Schoellkopf Company. He attended Tarleton College and Southern Methodist University in Dallas, where he majored in business administration. He began with Schoellkopf company in 1941 as assistant credit manager, advanced to credit manager in 1946.

Mr. Miller is active in church and community organizations.

#### Bank Officer Finds Native Chicago Offers Wide Scope

The president incumbent of The Chicago Association of Credit Men, William M. Edens, assistant controller

of Continental Illinois National Bank & Trust Company and director of the credit department for the last eight years, has served as president of Chicago Bank Auditors Confer-



W. M. EDENS

ence and Industrial Relations Association of Chicago; currently is president Chicago chapter, Robert Morris Associates; member finance division planning council, American Management Association. As chairman of Robert Morris Associates' national committee on cooperation with mercantile credit men, he was a chief collaborator in development of the Statement of Principles in exchange of credit information between banks and mercantile concerns, recently adopted by NACM and Robert Morris Associates.

A graduate of University of Illinois and Harvard University's graduate school of business administration, he began with the bank in 1931.

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A pessimist is one who makes difficulties of his opportunities.

An optimist is one who

makes opportunities of his

difficulties.

—Anonymous

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#### H. S. BLITZ

BEGUN ON P. 10

yond the dictates of good judgment. This condition persisted through 1955, so that their total obligations at the beginning of 1956 slightly exceeded \$8,000.00.

A new demand note was then executed, together with a schedule calling for monthly payment of \$225.00 plus interest at 5½%. In addition, we since have required them to deposit cash in advance to our credit prior to our shipment of bulk butane to them. We continue to require that conditional sales contracts be discounted through us; and we will not make any merchandise or appliance shipments in any new month until last month's statement balance is paid in full.

Mr. Kalepa and his wife are meeting the challenge, and they also are meeting their monthly note account payments. The balance is now down to \$6,425.00 and we are looking forward to the final payment due in March, 1959. Meanwhile their prospects are brightening; the growing influx of tourists to Hawaii provides Molokai with a small share of needed dollars; both pineapple and beef are thriving well on Molokai this year; and there is hope that the water shortage problem may be solved before too long, so that the economy may become sound and Molokai may regain at least some of her lost souls.

All Islanders love Molokai, her traditions, her people, and her fighting spirit. We have seen her through a lonely vigil in her struggle for economic existence. We think she will win—some day.



## Reports from the Field

- DAYTON, OHIO—Orville B. Tearney, manager of credits and corporate insurance, Inland Steel Company, Chicago, discussed the subject "What Is Your Place in Public Relations?" at the dinner meeting of the Dayton Association of Credit Men.
- Springfield, Mass.—Sam J. Schneider, special representative, National Association of Credit Men, was principal speaker at the dinner meeting of the Western Massachusetts Association of Credit Executives, Inc.
- Toledo, Ohio—What's ahead for business in Northwestern Ohioset the stage for banker, university professor and business bureau representative to present views at dinner meeting of The Credit Association of Northwestern Ohio. Participants and their topics were: Dr. Louis Hough, University of Toledo, "How Long Is Business Going to Continue at Its Present Level?"; Howard W. Wilson, vice president, National Bank of Toledo, "How Stable Is Commercial Income of This Area?"; and C. A. Wing, manager, Better Business Bureau, moderator, "What Factors Adversely Affect Economic Growth of the Area?"
- Utica, N. Y.—"Innocent Mistakes May Lose Your Collection Case in Court" was the subject chosen by Howard Seld, president of the Oneida County Bar Association, for his talk before the Central New York Association of Credit Men.
- CINCINNATI, OHIO—S. J. Haider, vice president, National Association of Credit Men, and manager of the Credit Interchange Bureau, was guest speaker at the Credit Club luncheon meeting of the Cincinnati Association of Credit Men.

A panel discussion of industry conditions at a subsequent meeting had these participants: Robert Roy, sales manager, Foy Paint Company; Charles Haines, credit executive, Newport Steel Company, and Harold C. Steward, treasurer, Whitaker Paper Company.

- HOUSTON, TEXAS—A "Personal Development Forum" cosponsored by the Houston Association of Credit Men and a number of other Houston organizations, had Millard Bennett, lecturer on human relations, as leader, in the program directed to top management and supervisory personnel.
- DETROIT, MICH.—Leon E. Briggs, treasurer, Ford Motor Company, addressed the Detroit Association of Credit Men on the theme "Geared to Tomorrow." Mr. Briggs' assignments abroad have led to the organization of several finance companies in Italy, Spain and France.
- New Orleans, La.—Henry J. Engler, Jr., dean of Loyola College of business administration, spoke before the New Orleans Credit Men's Association. His topic was "Improving Customer Relations."
- Philadelphia, Pa.—First of a series, a panel discussion on bankruptcy procedure held by The Credit Men's Association of Eastern Pennsylvania, had as panelists: Bertram K. Wolfe, referee in bankruptcy; Elmer J. Agnew, credit manager, Campbell Soup Company; Morris M. Wexler, of the law firm Wexler, Mulder & Weisman; G. A. Paterno, credit manager, Philco Distributor, Inc. John E. Mulder, of Wexler, Mulder & Weisman, was moderator.
- Grand Rapids, Mich.—Rep. Gerald R. Ford (Mich.), member defense department subcommittee, delivered a "Report from Congress" at the luncheon meeting of the Grand Rapids Association of Credit Men.

HARTFORD, CONN.—Prof. O. Glenn Saxon, Yale University, author and former commissioner of finance and control for the State of Connecticut, spoke before the Hartford Association of Credit Men on "Current Economic Trends and Their Implications."

Philip J. Gray, secretary, National Association of Credit Men and director of the foreign department, at a subsequent meeting of the association, discussed foreign trade, with emphasis on Latin-American markets. "The exchange of ideas with businessmen abroad is a powerful weapon for peace," Mr. Gray told the financial executives.

- Boston, Mass.—"Credit Management and Good Customer Relations" was the topic of L. T. White, director of Cities Service Petroleum, Inc., and manager of business research and education department, at the dinner meeting of the Boston Credit Men's Association. Among other activities, Mr. White is consultant to the Small Business Administration.
- Buffalo, N. Y.—State Sen. Walter J. Mahoney addressed the Credit Men's Association of Western New York on "Business and the Legislative Outlook," at the dinner meeting.
- Dallas, Texas—Dr. W. H. Irons, president of the Federal Reserve Bank of Dallas, discussed current business conditions at the luncheon meeting of The Dallas Wholesale Credit Managers Association.

Lew Maull, of Peat, Marwick, Mitchell & Company, discussed his company's approach to streamlining office procedure and paperwork.

SEATTLE, WASH.—"Meeting Credit Needs of Small Business" was the topic of Robert Follette Buck, regional director, Small Business Administration, before the Seattle Association of Credit Men.

#### With the Women's Groups

- CINCINNATI, OHIO—"Financial Statement Analysis" was the subject of Robert A. Vosmer, controller, Sabin Robbins Paper Company, at the meeting of the Women's Group of the Cincinnati Association of Credit Men.
- BINCHAMTON, N. Y.—Past presidents Bess Havens and Mrs. Mary McGraw addressed the dinner meeting of the Triple Cities Credit Women's Club. Miss Havens, who recently retired after more than 20 years with First-City National Bank, served as National director from 1946-49. Mrs. McGraw is a credit executive of Binghamton Container Company and member of the national credit women's executive committee, NACM.
- Philadelphia, Pa.—"Women's Stake in Social Security" was the topic of Eugene J. Fitzsimmons, assistant manager, Federal Security Agency, Philadelphia, at the dinner meeting of The Philadelphia Credit Women's Club.
- CLEVELAND, OHIO—Miss Dorothy Kimmel, vice president and managing director, Lempco International, addressed the dinner meeting of the Credit Women's Group of the Cleveland Association of Credit Men. She discussed her recent trip to Central America, during which she worked with the road building program of the governments there.
- DETROIT, MICH.—"Developing Executive Efficiency" was the topic of Al Beste, director of fuel sales, Koenig Coal Company, and past president of the Detroit Association of Credit Men, at the meeting of the Credit Women's Club.



#### OLD TAYLOR

"THE NOBLEST BOURBON OF THEM ALL"

Presentation Decanter for 1956

You can make no more welcome gift to bourbon fanciers among your friends than these fine whiskies in their beautiful decanters. These are the bourbons they themselves would select.

Same price, same quality, same bourbon, as standard bottles.

# OLD GRAND-DAD

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